

Results of consultation on process for awarding Grants to Voluntary Organisations from 2013/14

Contents

	Page
Introduction	2
Key findings	3
Findings in detail	4
Section One – Consultation meetings with voluntary organisations	4
Meeting One – Tuesday 22 nd November 2011	4
Meeting Two – Friday 2 nd December 2011	6
Section Two – online consultation document and feedback forms	8
Voluntary organisations	8
Southampton Voluntary Services.....	12
Council staff and other statutory agencies.....	15
Individuals.....	18
Respondent’s profile	18
List of meeting attendees and online respondents	20
Voluntary organisations.....	20
Council staff and other agencies	21
Suggested model for consideration and feedback	22
Suggested model for consideration	22
Feedback	23

Introduction

On 27th October 2011 the council agreed, under a delegated officer decision, to suspend the standard grants process for 2012/13 and renew 2011/12 for an additional year until 31st March 2013. This decision followed consultation with voluntary organisations. The aim of suspending the process and renewing 2011/12 was to allow time for the council to fully review the grants process in light of increasing demand and a decreasing budget.

Consultation on proposals for the grants process in 2013/14 and beyond ran from Tuesday 8th November 2011 to Friday 3rd February 2012. The purpose of the consultation was to determine if voluntary organisations felt moving towards outcome-based commissioned grants in principle is a suitable way of allocating funding and to gather feedback on how they felt process could work in practice. This feedback would then be used to help shape the detailed process.

This report details the responses received and the key findings of the consultation. A number of specific queries were raised during the consultation which officers are currently investigating. Answers to these queries, or a timeframe of when the query will be answered, will be published by the end of March 2012.

Key findings

- Most respondents agreed outcome-based commissioned grants are a suitable way to allocate the budget, with a minority voicing reservations about the general principle.
- However, most felt it depended on the detail of the final process and raised many queries and concerns about how it would work in practice. The main concerns raised were:
 - The process could increase bureaucracy for both the voluntary organisations and the council. The main reason for this concern seems to be organisations' negative experiences with the council's procurement process (commissioning for contracts/tenders).
 - The process could be difficult for smaller organisations to engage with, especially those without a dedicated fundraiser or without any paid staff.
 - The commissioning process will be about cost and not quality
 - Whether the model would result in some areas of an organisation's work not being funded
 - Whether the model would result in sufficient change or perpetuate the status quo
 - Transfer of Undertakings (Protection of Employment) Regulations (TUPE) issues
- In order to capture the views of everyone who may be affected by the proposed changes voluntary organisations were asked if they had discussed the consultation with service users. It was the general opinion of the respondents that it was not appropriate to consult with service users at this time. It was felt that it could be destabilising for them and that many would not have an interest or any comments to make on the grants allocation process, but would be interested if the grant funding for the organisations they use is directly affected.
- Integrated Impact Assessments (IIA) – there was more concern about the impact of changing the grants process on the non-statutory areas of work covered by the IIA categories than equalities and community safety. The general feeling was that it is up to the council to design grant schemes that cover the IIA categories in the priorities and outcomes to ensure funded work does not impact differently on one or more organisations or areas of work.
- Any new timetable needs to be published as early as possible so that organisations have time to plan.
- Community representatives (residents) should be involved in the grants allocation process.
- The council should encourage collaboration between voluntary organisations and joint bids.
- Voluntary organisations should be involved in deciding the outcomes grants will be funded against as they already know the needs.
- During the consultation there were several queries about whether there was a need for change. For the most part these came from organisations that are currently funded.

Findings in detail

Section One – Consultation meetings with voluntary organisations

Voluntary and community organisations were invited to attend one of two meetings to discuss the proposals. Both meetings were held at Southampton Voluntary Services' offices, the first on Tuesday 22nd November 2011 and the second on Friday 2nd December 2011. There were 30 spaces available at each meeting. Both meetings were advertised by email and online as widely as possible to ensure both currently funded and not currently funded voluntary and community organisations in the city had an opportunity to book a place.

The times of the meetings determined the types of organisations who attended which was reflected in their responses to the consultation. The first meeting on 22nd November was in the evening and the attendees were mainly from smaller organisations with few or no paid staff. The second meeting on 2nd December was in the morning and those attending were mainly from the larger organisations in the city with paid staff.

In total 46 people attended the meetings, representing 35 voluntary organisations. Southampton Voluntary Services attended both meetings in their capacity as the local umbrella organisation as well as a currently grant-aided organisation.

At each meeting the council's Communities Team Manager gave an overview of the need for the consultation and the Development Officer for Grants and Voluntary Sector Support gave an overview of the proposed outcome-based commissioned grants process, supported by the Project Officer for Grants and Community Support. Attendees were then invited to discuss the proposals in small groups, noting down their comments, with the three council officers answering queries for the groups as they arose. At the end of the meeting each small group was asked to feedback to the whole group their key comments on the proposals. These comments were flipcharted and later typed up along with the notes from the small groups and were sent to the attendees of each meeting to check ensure their comments had been interpreted properly.

Meeting One – Tuesday 22nd November 2011, 6:30 to 8:30pm

At the first meeting there were 20 attendees, representing 15 voluntary organisations. Of these 8 were organisations currently in receipt of a Running Costs Fund grant and 7 were organisations that are not currently funded.

General principle

- Overall, attendees agreed in principle with moving towards outcome-based commissioned grants.

Outcomes

- How would the outcomes be identified? All agreed that voluntary organisations need to be involved in this from the beginning
- Outcomes should be long term
- Outcomes need to be published with sufficient time for groups to work on them
- Will an applicant have to meet all the outcomes?

Multi-year funding

- It was generally agreed this is needed, 1 year is too short

- Some concerns it would mean other capable organisations would then be excluded from funding until the end of each 3 year period
- Some organisations, mainly smaller ones with few or no paid staff, find it difficult to plan for 3 years ahead.
- Do recipients need to hit all their 1st or 2nd year targets for the grant to continue? If they miss them, will the grant be re-commissioned?

Partnership working

- The council needs to encourage collaboration between voluntary organisations and joint bids. The process should reflect this.

Process

- There should be different types of grants for different amounts, with proportional processes and paperwork, e.g. under £5,000 Community Chest (as now), £5,000 to £20,000 grants and over £20,000 outcome-based commissioned grants.
- Grants should be in streams (arts, young people, etc) so that applications can be compared like for like. The old model made it difficult to compare applications, the new model will at least compare like for like.
- Process must be user friendly for smaller organisations with few or no paid staff. Regardless of the amount of support they would get, some simply do not have the resources to tackle complicated applications.

Decision

- Community representatives (residents) should be involved in the decision

Monitoring

- How would the grants be monitored? Will organisations get proper support and feedback from council officers? Will there be link officers? Does the council have the resources to monitor properly?
- Monitoring should be a discussion, allowing groups to feedback on the council's assessment. Groups will then be able to make improvements.
- Need to know the monitoring timetable and how it fits with the application process

Impact and Integrated Impact Assessments (IIAs)

- If the process is fair it should not have a different impact on equalities or community safety than anything else
- Could impact on health and wellbeing, poverty and deprivation, waste reduction, climate change

Support

- Most organisations felt they would need some support

Concerns

- Concern this will narrow focus too much and exclude new projects and ideas.

Service Users

- Attendees had not yet consulted with their service users

Relationship with the council

- The council needs to develop its relationship with voluntary organisations. Treat us as real partners.

- Does the council understand the work voluntary organisations are doing in the city?
- SCC should arrange twice yearly meetings for organisations to network and share information with each other and the council – could be part of the monitoring

General comments

- Is there a need for change? Are the current recipients not delivering? Does the council not check their performance?
- Will TUPE apply?
- Are grants awarded to support and encourage the voluntary sector or for providing services?

Meeting Two – Friday 2nd December 2011, 9:30 to 11:30am

At the second meeting there were 26 attendees representing 21 voluntary organisations¹. Of these, 12 were organisations currently in receipt of a Running Costs Fund grant and 11 were organisations that are not currently funded.

General principle

- There was a more mixed reaction to the proposals than the previous meeting, with many conflicting views.
- Outcome-based commissioned grants in principle -
 - Most attendees agreed in principle with moving towards outcome-based commissioned grants
 - A small minority queried whether any change was necessary and expressed concerns that a commissioning approach would increase bureaucracy for both voluntary organisations and the council.
 - Commissioning should be about quality, not just cost.
 - Recognise that SCC needs to use its money wisely, but are not convinced outcome-based commissioned grants is the right way to go. It will increase bureaucracy on both sides.
- Will it be full cost recovery?

Outcomes

- How would the outcomes be identified? All agreed that voluntary organisations need to be involved in this from the beginning
- How does outcome-based funding fit with core funding?
- Will the outcomes be about allocation of funds or monitoring?
- Will outcome-based funding constrain innovation?
- How does preventative or cross-cutting work fit in with the council's priorities?
- Will the outcomes relate to the work done or the secondary impact of effect on recipient?

Multi-year funding

- There should be rolling 3 year grants

Partnership working

- SCC needs to encourage opportunities for partnerships and joint working, and the application period needs to allow enough time for this.

¹ This session was fully booked with 30 people due to attend and several on the reserve list. However, on the day 4 people were not able to attend due to unforeseen circumstances.

Process

- Process needs to be proportional to the size of grant. Smaller grants should not be commissioned (the suggested minimum for commissioned grants ranged from £10,000 to £20,000)
- Two stage process, with short expression of interest
- A complex process would increase pressure on staff and take them away from frontline delivery
- Whatever the route it needs to be an open, transparent and fair process.
- There was very little detail about the process to be able to answer some of the consultation questions.

Decision

- There should be community input, such as community representatives.
- Have community representatives and council officers score applications with an officer decision. Involving Cabinet adds an extra layer of bureaucracy.

Timescale

- Phase it in slowly
- Start with established local organisations with a track record in the city
- Don't phase it in – just do it all in one go

Impact and Integrated Impact Assessments (IIAs)

- There shouldn't be a disproportionate impact if the funds are distributed evenly
- The priorities should encompass the IIA categories
- Will only impact negatively on the IIA categories if the money is disproportionate across the priorities
- It's difficult to know what the impact of these changes will be until they are implemented. Would like to review the impact then.

Support

- How much support is needed will depend on the complexity of the process
- Small organisations will need support
- SCC should hold workshops
- There needs to be independent support

Concerns

- Summer is a difficult time for to apply for grants for some organisations.
- Seems like the council has already decided to move to outcome-based commissioned grants
- Concern it will destabilise and discourage the voluntary sector. Will discourage trustees because of the uncertainty of funding.
- Difficult to get a lease with no guaranteed funds

Alternative Suggestions

- SCC could have a sustainability grant pot –organisations who have successfully brought in external funds for pilot/innovative projects could bid for SCC money to continue the projects.

Service Users

- It was questioned why the council would want to consult with service users at this stage. It was felt service users would not have any interest in the process, but would be concerned if the grant funding for organisations they use is reduced.

Relationship with the council

- There needs to be a better working relationship between SCC and the voluntary sector, based on trust.

General comments

- What is currently funded that does not fit with SCC priorities?
- Quality

Community Chest

- Keep with panel decision
- Should be outsourced to a voluntary organisation (suggested by more than one organisation)

Section Two – online consultation document and feedback forms

Voluntary organisations

As well as the two consultation meetings voluntary organisations were invited to give feedback on proposals on behalf of their individual organisations. Only 9 organisations took up this opportunity – 8 of these currently receive grants and 1 does not. Below is a summary of their comments. Where more than one organisation made the same or a similar comment these have been amalgamated and paraphrased.

General principle

- Most organisations were broadly supportive of the proposal
- Positives aspects of this model are:
 - Some grants have an element of this already
 - It adds efficiency and transparency to the system of assessing and providing grants
 - The model proposed does seem to draw the best from a number of examples
 - A clear process to continue to receive funding and the possibility of a longer cycle is welcome for the stability it brings and would save both the organisation and the council time and money.
- Some organisations were supportive in principle but had queries / reservations.
 - Needs to be proportionate to the work.
 - Bear in mind that VCS organisations usually do not have a professional fund raiser as part of their staff.
 - Important to ensure clarity, stability and fairness in how the system will operate and how the outcomes will be arrived at.
 - Needing an established presence will prevent organisations starting up from securing this funding. How will an established presence in the city be measured?
 - Moving to this model presents a high level of uncertainty and risk to a secure revenue stream in the short term and is unsettling to staff and service users.
- A potential gap in the model is that organisations that have a remit to develop infrastructure for local communities / community groups is not recognised.

Outcomes

- Outcomes need to be defined well, but without a service specification (or it will just be a tendering exercise)
- General feeling we got from the consultation meeting was that voluntary organisations want to be part of the process of shaping the approach to commissioning rather than just the subject of the operation of the process. The sector has the expertise and experience to inform any discussions on the outcomes which flow from the strategic priorities which the council will use as the basis for funding via commissioning.
- Council should be clear on what the outcomes are and the reasons for them.
- Outcomes should be discussed with VOs before they are set to ensure they are deliverable.
- The process should not take the creativity out of VCS work by being too prescriptive about what needs to be achieved and how which could stop very good ideas.

Eligibility

- Should be restricted to organisations with an active presence in Southampton
- Local knowledge needs to 'score' highly
- Give weight to track record in the city and ability to evidence they hold appropriate standards, for example the CLS standard
- Could include added value, i.e. not just how the application meets the outcomes but also the additional value the group brings in support in kind (such as volunteers)
- Give preference to existing grant holders who have consistently met council priorities.

Multi-year funding

- Larger grants should be over 3 years to give stability
- Three year grants are preferable, but this should be phased in so that the grants do not all run out at the same time.
- Three year grants are preferable as they will give stability and space to deliver and improve services. However, it is important to get the commissioning right as a mistake could lock the council into a problem for some time and perhaps threaten the long term existence of smaller organisations.

Partnership working

- A frequent comment from organisations was that the council needs to encourage partnership working and collaboration between voluntary organisations and allow for joint bids. There needs to be a realistic timescale to allow for this.

Process

- Need good information on what SCC intends to deliver itself to ensure compatibility, that services can be delivered and aren't restricted by protocols, commissioning or procurement rules in another part of the council.
- It is vital that small organisations have access to funding without all the technical requirements of the outcome-based commissioned grants process.
- Outcome-based commissioned grants should only be used for more substantial funding. The process should be proportional to the size of grant due the time and resources needed to apply for and manage commissioned grants. Suggested minimum amount ranged from £10,000 to £50,000.
- Need to ensure the council doesn't establish a hugely expensive superstructure to evaluate bids, award grants and monitor performance. Equally we would not want the process to establish a large administrative burden on voluntary organisations, especially smaller organisations who operate with very slight administrative resources.

- Start with the larger, more resilient organisations first, giving the process a chance to bed in and allowing the smaller groups more time to adapt.
- Consider a two stage process – saves time, organisations know early if they are eligible and waste their time or the council's time on a full application

Decision

- Officer decision – reduces a level of bureaucracy, saves time
- Decision should not be made on cost alone – value for money is important but 'cheapest is best' is not the best basis on which to provide services to vulnerable clients nor would it necessarily promote a healthy mixed economy of provision in the advice and voluntary sector.
- Needs to be open and transparent, with feedback given to groups retrospectively to help them improve their work and future applications.
- Reassuring to know that specialist officers will still be making the recommendations to Cabinet.
- Involve community representatives (suggested by several organisations)

Monitoring

- Give feedback so groups know how they are doing
- Would like to see a clearly laid out process for monitoring, including regular meetings between the council and recipient. Such meetings would also support an ongoing dialogue to create an effective partnership with the council.
- What would happen in the event of a serious and sustained non-performance against a three year funding stream? Is there a mechanism for termination and appeal?

Timescale

- Bring it in all at once, otherwise how will the money be fairly distributed as some groups will be applying for grants before others.
- Should be done in one go (in 2013/14) with plenty of notice
- Gradual shift from the existing model would be ideal, with all grants after a certain future date moved to the outcome-based commissioning model.
- The current model should continue to the end of the financial year and the new model take over from the start of the new financial year so VOs do not miss out during the changeover.
- For some organisations summer is their busiest time and it would not be possible to properly complete a grant application at this time.

Impact and Integrated Impact Assessments (IIAs)

- If the outcomes process is done correctly and is not just a cost-cutting exercise then the change should be beneficial.
- TUPE – if work currently undertaken in whole or part by one organisation is awarded to another organisation [organisation name removed] are clear that TUPE and any other relevant legislation and guidance would apply and that staff would have the right, where appropriate, to transfer employment to the new grant recipient in respect of the work funded.
- The impact on equalities categories will depend heavily on the council's priorities for funding. It is vital the priorities are inclusive and take into account the needs and aspirations of minority groups.

Support

- Need very clear information, published in good time and the ability to ask council staff questions directly not through a remote system like Bravo Solutions.
- Amount of support needed will depend on the complexity of the process.
- Difficult to say, but probably meetings with the council, such as workshops, or detailed literature that makes the changes clear and shows 'best practice'.
- Based on the reassurance provided by officers at the consultation session which I attended, I would not expect to require additional support.
- Support for smaller local organisations in the new process to avoid them being disadvantaged.
- Larger organisations could potential support small ones with the continued roll-out of the new process.
- We would potentially need guidance in the new process so that we were not disadvantaged, depending on the process
- Need a bid writing service for small groups. Infrastructure support organisations could support this activity.

Concerns

- Some doubts about whether the council or the VCS has the capacity to fully work up and respond to a commissioning approach in the financial year 2013/14 which would be robust enough to support the award of three year grants.
- Concerned about the impact on small VOs, particularly those working in areas where it is difficult to measure outcomes.
- Concerned about funding outcomes rather than core funding. If only a part of a VOs currently grant-aided work is moved to outcome-based commissioned it would leave the organisation vulnerable. Need funding across an organisation's full range of activity. This was a particular concern for arts organisations whose work is cross cutting and due to its nature can be difficult to measure.
- Concern that the flexibility to identify and deliver work in areas not considered a priority by SCC will be lost under an outcome based system. Also concerned it will hinder opportunities for creative and innovative approaches. Organisations need to do what they do, experiment and work innovatively to achieve excellence.

Alternative Suggestions

- Suggest consideration (as part of a dialogue with the sector) be given to a staged approach along the following lines, a limited form of the commission exercise be undertaken for 2013/14 with a small number of outcomes that all agree can be realistically evaluated and delivered, the year 2013/14 is used to evaluate performance and to work in partnership with the sector to develop more detailed approaches for coming years and to learn and evaluate from the experience of the first year, subject to satisfactory performance the grant for organisations is rolled over to a three year timetable from 2014/15 in the event of unsatisfactory performance the field of potential providers for an individual grant is widened.

Service users

- Not consulted with them, it wouldn't mean much to them
- It's probably too abstract to be very meaningful to them at the moment. They will quite properly judge any change by its positive and negative effects on them and their communities.
- Service users are interested, but want to ensure that voluntary organisations are working in partnership with the council on making changes, rather than get involved in the detail themselves.

Community Chest

- Suggest increase to £10,000 to be a small grant pot for groups where outcome-based commissioned grants aren't suitable.
- Due to the small level of funding available it could be passed to the voluntary sector to administer.
- Community Chest should continue.
- We think the current process works well.

Southampton Voluntary Services (SVS)

In addition to the 9 individual VOs, SVS submitted a response as the umbrella body for the local voluntary sector. This response is based on the two consultation meetings, which SVS both hosted and participated in and a private meeting held with their member organisations in the early phase of the consultations where the ideas were discussed and crystallised. SVS trustees, as the body elected by their almost 500 member organisations, discussed and revised this response at their meeting on 25 January 2012.

General principle

- Understand the need for broadly focusing public funds on priority areas
- The framing of the consultation seems to presuppose that there should be outcome based grants which is not something with which we concur.
- Concerned the competitive nature of outcomes based grants will result in increased administration costs for both SCC and VOs and abortive development costs for VOs.
- Potential loss of innovation and development of new ideas and initiatives / pilot schemes to meet identified needs within communities that SCC may not be aware of or which have not emerged in the identified outcomes.
- Essentially we believe that grants should be based on mature and mutually respectful relationships between SCC and its local voluntary organisations where there can be mutual agreement of the key work to be undertaken and then VOs should be left to deliver in the way they see best based on a degree of trust and respect that they are closest to the needs and requirements of the people or members they serve which doesn't need micro management by a more remote third party. Of course the reciprocal requirement is that the voluntary organisation reports back on the extent to which it has fulfilled the key work and any shifts or trends that it has encountered in doing so based on its normal annual reporting cycle.

Process

- Any such approach would need to be proportionate to the amount of grant awarded if the costs of administration and accountability for both sides are not to escalate.
- Need greater clarity about how and in what detail outcomes are to be specified and how this will be different to the current tendering and procurement processes which are not positive currently for voluntary sector.

Impact and Integrated Impact Assessments (IIAs)

- Hard to determine the impact without any detail of how and to what extent outcomes are to be specified, then monitored and evaluated and by whom.
- There is insufficient information within the consultation to take a view on the impact on the IIA categories.

Support

- SVS would have the experience to do this but we think many smaller groups will struggle with this – as has been the case with the shift to contracting which has required extensive capacity building across the sector over many years. Many will require independent advice and support to be able to apply which would need to be included within SVS voluntary sector support activity.

Alternative suggestions

- SVS hosted and participated in both SCC convened events to hear the views and ideas expressed there by voluntary organisations, we also held a private meeting with our member organisations in the early phase of the consultations where these ideas were discussed and crystallised – the first 2 [suggested alternative schemes] are based on our long standing and well consulted upon views expressed in previous grant consultations and the sustainability grant idea from the more recently consultation and discussion within the sector in the light of the situation currently facing our sector. SVS trustees, as the body elected by our almost 500 member organisations, discussed and revised these suggestions in January 2012.
- SVS would like to see a 3 part grants scheme in the city -
 - **Strategic grants** – which recognises and gives stability to key strategic partner voluntary organisations based on 3 year rolling grant agreements – unashamedly we would request that SVS voluntary sector support and volunteering development functions are seen within the strategic grant strand but also would expect other key organisations providing support to the sector or individuals to be included also.
 - **Small grants** – similar in scale and purpose to current community chest for non recurring and small initiatives but which is administered by SVS on behalf of our sector and in which we would directly involve volunteers from local groups on the panels. This aids capacity building within the sector and a sense of shared engagement, creates better understanding of how groups can work together to add value and was highly effective in distributing grants to small and isolated community groups when it was done with the previous Community Empowerment funding. We think there would be potential to align and possibly grow other non SCC funding pots in an integrated approach if done this way.
 - **Towards Sustainability grants** – we recognise that there is a tendency for there to be limited scope for new grants to be awarded as the pot becomes silted up meeting valid ongoing needs. This causes frustration both for organisations seeking funding as well as to Councillors who would like to be supportive of new initiatives.
- However over time the grants budget has not experienced the same protection or growth as other elements of SCC budgets and cost pressures even in better financial times and we would therefore like to see a long term commitment from all parties for SCC to at least maintain and then determinedly try to increase its overall grants pot year on year even if only by a part % point.
- We were very pleased to see the additional investment for last year and recognise this was a positive signal of support for the sector in difficult times and would like to see this sustained. Whilst we recognise that this will be hugely challenging in the immediate and extremely constrained financial climate we do believe it should be a long term objective as it is not only cost effective to invest in voluntary sector capacity and volunteering in the city but also builds social capital that aids well being and social cohesion in communities.
- Until any funding can be redirected into an enlarged grant pot we think that where it can be demonstrated that existing grants are no longer required, relevant to current needs or could be given at a reduced amount, the sum freed up should be allocated into a designated sustainability pot that organisations could bid for only where they

have already been successful in obtaining funding from other external sources to pilot new or innovative work on a short term basis but need a further period of funding to help then secure further ongoing funding and sustainability.

- We are aware that it is an SCC priority to actively encourage voluntary organisations to seek external funding but much of which is directed to short term programmes and initiatives which rarely offers ongoing support to cover their essential central costs or ongoing sustainability. A sustainability or 'pick up' fund would help reward those organisations which have demonstrated their ability to have successfully brought in other external funding sources to support work in the city whilst giving them a slightly longer period to develop pilot work to either meet, and fulfil to its conclusion a need, or to secure longer term commitments for its future sustainability.
- We would envisage organisations being able to secure a further 2 (or maximum 3) years funding for work on this basis, possible on a matched or part funded basis, and applications could be made from the point that they secure the external grant so that demand and requests can be assessed and reviewed well in advance of crisis point being reached although the grant would not be made until expiry of the original source funding.
- This approach would aid organisations in their forward planning, reduces the constant problem of short term funding which means projects often have insufficient time to fully prove their worth from start up to end especially as key staff often move on in the last few months for more stable jobs and would reduce pressures SCC to bail out organisations in crisis situations as there should be plenty of forewarning of future funding requirements and allow constructive discuss to be held on where these could be directed or included in future commissioning programmes as well as through this grant element or other external funding sources.

Service Users

- We have not sought the views of our customers for SVS direct services – many of whom are quite vulnerable – as we feel this is not particularly helpful as previous experiences when there have been proposed funding reductions has caused them considerable distress and anxiety. However from their previous reactions and from our regular satisfaction surveys we are well aware of the high value they place on our grant funded services.

General comments

- The imperative that motivates voluntary sector activity is concern to serve local communities and meet local needs in the best way possible with the total resources available to it, including any public funds made available through SCC. Generally voluntary organisations deliver cost effectively and with additional input from other fundraising, in kind sources as well as volunteers many of who are the fiercest critics of any kind of wastage of resource that they see not being best used to meet the needs they are motivated to help.

Community Chest

- We think it should be transferred, with an equivalent element of its current administration costs, and be administered by SVS with input directly from voluntary sector members on the decision making panels. This is likely to reduce overall administration costs as although there would need to be staff time for admin and monitoring elements, volunteers would replace the considerable numbers of SCC officers and their time spent on appraisal and panels. We believe this would give a tangible signal both of the confidence and value that SCC states it has in its local

voluntary sector, is empowering for the sector and people it involves and serves and is very much in line with the spirit and principles of the Localism and Big Society agendas.

Council staff and other statutory agencies

The consultation was open to all council staff and other statutory agencies; however, current grant appraisers and key stakeholders in particular were invited to give their feedback. Of the 6 responses received, 5 were from individual members of council staff who are grant appraisers, commissioners or both and the other was a joint response from a team of grants appraisers/commissioners in one council directorate. Below is a summary of their comments. Where more than one person made the same or a similar comment these have been amalgamated and paraphrased.

General principle

- Agree with the model but with concerns
- Support the move as believe in challenging financial times it would result in funding being directed towards identified priorities, being used to complement other council activities and budgets and will provide better value for money, providing that sufficient research is undertaken to ensure outcomes reflect the level of need and the LAs priorities.
- We need to retain an element for innovative short term funding, without specific outcomes.
- Where grants have been funding core services over a number of years this funding should be done on a contractual basis with the usual protections for the council regarding performance and outcomes.
- Outcome-based commissioning is a good thing, better that we are more proactive in this austere time than what currently happens.
- The move is broadly welcomed as a more effective way in which to concentrate our limited funding on meeting the needs of Southampton residents. Currently some VOs receive significant amounts of funding year on year with little monitoring or adjustments for changing priorities and funding profiles. Whereas, essential services to some of our most vulnerable residents, which are currently contracted, have, in recent years, been subject to funding reductions, re-profiling and service re-design, which not only seems disproportionate (procurement has taken place, monitoring is more stringent and these services often excel in essential service delivery), but sends out mixed messages to the voluntary sector. A coherent, consistent approach, in line with the financial pressures the council is currently experiencing is a positive move. Such an approach is likely to help change the mindset of some voluntary organisations who, perhaps need to be more appreciative of the shift in availability of public funding.
- The larger grants (which have been hardest hit by cuts in previous years) would benefit from a thorough examination outcomes/costs etc. The large grant recipients are also the best equipped to apply for outcome-based commissioned grants.

Outcomes

- More input from commissioning leads

Eligibility

- Other than a small number of recipients (who we should probably enter into a contract with anyway) if they got a grant last time they shouldn't get it next time. We should not be scared to stop funding because we might be challenged. The reality is there will be others who will be able to give similar if not better results.

Multi-year funding

- This option is particularly good.
- Should go for 2 year awards rather than annually as that is a reasonable length of time for organisations to meet broad outcomes.

Process

- Should only be funded against SCC priorities, not Southampton Connect Plan. It is an SCC budget.
- It should just be commissioned grants and Community Chest – SCC no longer has the capacity to run a three model system.
- Recommend biennial application for 2 year funding to provide stability and to reduce overheads.
- The amount of different types of and processes for grants needs to be reduced to a minimum, and grants should be awarded for multiple years, where appropriate, to reduce the officer resource in administering and awarding grants.
- Applications to be invited within defined boundaries and these to be priority areas from agreed commissioning strategies and published policy documents.
- Exit strategies or sustainability should be an element of the selection process.
- There should be a greater element of flexibility for smaller grants so as not to exclude innovation and to test out what is successful.
- Should allow all not for profit organisations to apply, allowing the LA to compete, to achieve value for money.
- Organisations should be allowed to apply for elements of the grant (i.e. meeting just one or two of the outcomes rather than all of them) as this would allow specialist agencies to lead on delivery of elements of the grant.
- The approach must ensure that the chains of the Leicester and Haringey judgements are broken to avoid a continuation of repeated grant awards to the same organisations, that there is effective and proportional monitoring, that Directorates are allowed to drill down their priorities further to meet specific challenges, and manage their own grants budgets as part of their commissioning framework, otherwise there will be little or no change to the current practice, and we shall have missed an opportunity to ensure efficiencies and best value for the council are achieved.
- Outcome-based commissioner grants should be used for all grants but should be proportional to amount of funding, and must ensure priorities are specific to the relevant Directorate, the Directorate has control over its own budget and effective monitoring takes place.
- The model suggested implies that commissioners within individual directorates will have to carry out research, needs assessments, create outcomes, agree length of funding and appraise applications for an outcome-based commissioned grant. It is not clear what consideration has been given to the impact on colleague's workloads and the future role of the grants unit.
- It is preferable if commissioners can draw on a menu of methods to commission (as with the IOW model), however, all must ensure transparency and attempt to achieve efficiencies and best value.

Decision

- Consideration should be given to independent representatives on the panel
- Outcome-based commissioned grant decisions could be delegated to councillors or officers within Directorates/Portfolios and be removed from the normal grants timetable; this would allow for greater flexibility in the grant timetable, the allocation would

become less process driven, reducing the time and resources required for briefing Members and writing reports.

- In order for a truly transparent process, the award decision should be based on a matrix decision making template.

Monitoring

- The model needs to include a commitment to rigorous monitoring of outcomes and penalties for non-compliance

Timescale

- Need to give adequate notice (12 months).
- There is obvious worth in phasing in the introduction of the commissioned grants model – such as being able to improve processes through learning lessons from the first phase, and giving the voluntary sector time to adjust to the change. However, in order for the council to achieve the greatest efficiencies in the shortest time possible, we should consider commissioning all grants at once, or at least phase in all by 1st April 2014 to fit with the City Council Plan.

Impact and Integrated Impact Assessments (IIAs)

- Need to undertake risk assessment on anything currently being funded to identify risk to individuals and to other budgets.
- It is possible that some groups are more likely to be represented by smaller community or user led groups – this would need to be kept under review and consideration of additional support built into the process.
- We would ensure all impacts were considered.

Support

- May need training for bidders on defining and measuring outcomes

General comments

- The process used to allocate the CLG Homelessness grant was very similar to the Isle of Wight model with the success of the allocation dependant on:
 - Clear accessible outcomes arrived at through a process of evaluation, in this case the Homelessness strategy and Action Plan.
 - Delegation of decision to Head of Division but in consultation with the Homelessness Steering Group (included stakeholders from statutory and voluntary sectors) and Cabinet Member for Housing
 - Rigorous monitoring of outcomes, including specific outcomes agreed with the service provider fed back to the steering group with penalties for non compliance.
- The challenging financial climate that the Council currently faces means that light-touch approach of traditional grants can no longer be justified and a procurement/contracts only approach should also be considered.
- The model used by the Isle of Wight Council appears to be the most transparent, flexible and effective. Positives from this model are:
 - Outcome based award allows local priorities to be addressed.
 - Flexibility to award throughout the year (if required).
 - Multiple – year awards for high value funding is proportionate to impact of funding cessation and notice periods.
 - Decision by Officer ensures transparency and possible bias is avoided.
 - Process of identifying the most appropriate funding route is preferable – it may be that not all grants should be contracts, and some contracts may be more suitable as commissioned grants. Assuming Commissioners drive this process, this will

allow for a commissioning menu to be applied to all externally provided services in the most appropriate way.

- Flexibility for the Commissioner to negotiate with bidders to get maximum value for money and diversity of projects ensures the Council's funding is well spent and efficiencies and greatest range of service provision can be achieved.
- There is a distinct danger that this move to 'commissioned grants' will actually make little change to the status quo. The grants process needs to be radically amended to take into account the huge financial pressures the council is facing, and the workloads of already over-stretched staff.

Community Chest

- Should not be reviewed.
- Community Chest seems to work well and is very useful for small organisations. Should be protected at all costs. There are not many of these schemes left and they have a benefit that belies their size.
- The grant should be increased to £10,000 to £15,000 and the ban on repeat applications removed, making it a small grant pot for those areas not commissioned.
- Without detailing the process here, and having no involvement in the Community Chest grants, it is not possible to comment. However, a small grants fund which has shorter term targets for specific projects or smaller voluntary organisations is beneficial to a diverse and buoyant voluntary sector in Southampton.

Individuals

The consultation was available on the council's website on both the Grants and Funding web pages and the main Consultation web page. Any interested party was able to submit a response, including individuals who are service users or not directly involved with individual voluntary organisations. No responses were submitted by individuals.

Respondent's profile

Profile information was collated on respondents via the feedback forms to see who took part in the consultation. This applied to the online feedback only - no profile information was collated for the consultation meetings as officers had direct contact with those organisations.

Voluntary organisations – 10 responses received

Did your organisation receive a Running Costs Fund or New Projects Fund grant in 2011/12?

9	Yes
1	No

How big is your organisation? Based on the number of Full Time Equivalent (FTE) paid staff you have

0	All voluntary staff
6	Up to 4 FTE paid staff
1	5-14 FTE paid staff
3	15 or more FTE paid staff

Is your organisation...?

7	Local (i.e. within the city of Southampton boundaries)
2	Regional
1	National

Is your organisation directed at, or of particular relevance to, people in any of the following equalities categories? i.e. Age, Disability, Gender Reassignment, Pregnancy and Maternity, Race, Religion or Belief, Sex, Sexual Orientation (for definitions of these categories please see appendix 3)

2	Yes
8	No

Council staff and other statutory agencies

Are you completing this feedback form...?

0	As a Councillor
6	On behalf of a Southampton City Council department
0	On behalf of another statutory body

Do you have any connections to any voluntary organisations, community groups, social enterprises or other not-for-profit organisations working in Southampton?

2	Yes
4	No

Number of respondents who are directly involved with current grant process

5	Currently grant appraisers
1	Currently commission via procurement
0	Not currently involved with grants or commissioning

List of meeting attendees and online respondents

Voluntary organisations

- [sonus]
- Active Nation
- Art Asia
- Catch 22
- Chapter 1
- City Eye
- City Reach Youth Project
- Common Sense
- Communicare
- Do It Yourself Girl Magazine
- Godfrey House Trust
- Groundwork Solent
- Life Church Southampton
- Lordshill Youth Project
- Medaille Trust
- Mount Pleasant Media Workshop
- Muslim Council of Southampton
- No Limits
- Saints Foundation
- SARC
- SCRATCH
- Solent Sky Museum
- Southampton Amateur Gymnastics Club
- Southampton Children's Play Association
- Southampton Citizens Advice Bureau
- Southampton Council of Faith
- Southampton Diving Academy
- Southampton Rape Crisis
- Southampton Scrapstore
- Southampton Voluntary Services
- Southampton Women's Aid
- Stepacross
- The Prince's Trust
- TWICS
- Vedic Society Hindu Temple
- YMCA Southampton
- Youth Options

Council staff

The council staff who responded to the online consultation work in to the below divisions/directorates.

- CYP Strategic Commissioning, Education and Inclusion – Children's Services and Learning
- Housing Services – Environment
- Leisure and Culture – Economic Development
- Policy, Performance and Partnerships – Environment
- Skills, Economy and Housing Renewal – Economic Development
- Strategic Integrated Joint Commissioning (Adults) – Health and Adult Social Care

Suggested model for consideration and feedback

Suggested model for consideration

Respondents were asked to consider a draft model for outcome-based commissioned grants and traditional grants and complete a feedback form.

Table 1	Outcome-Based Commissioned Grants Model
Type of award	Commissioned grant
Amount	Varies
Areas of work	Rolling programme of areas of work/service - initial areas for Year 1 to be identified
Funded against	Outcomes based on priorities in Southampton City Council Plan 2011-14 and the Southampton Connect Plan 2011-14 and eligibility criteria
Who can apply	Voluntary sector organisations Social enterprises
Beneficiaries	Residents within Southampton City Council boundaries
Geographical area of applicant	Local, regional or national – but will require an established presence within Southampton City Council boundaries
When awarded	January
Length of award	1 to 3 years
Award decision by	Cabinet
Role of Cabinet Members	Cabinet Members make final decision following officer recommendations
Outline of process	<ol style="list-style-type: none"> 1. Councillors agree broad council priorities 2. Commissioners (council staff) identify need for service through research and needs assessment and create outcomes and agree length of funding 3. Grants advertised and applications submitted 4. Applications appraised by a Panel of specialist council officers and recommendations made in consultation with Cabinet Members 5. Report produced for Cabinet with recommendations 6. Cabinet makes grant award decisions

Table 2	Non-Commissioned Areas of Work/Services
Type of award	Traditional grant
Amount	Varies
Funded against	Broad council priorities and eligibility criteria
Who can apply	Voluntary sector organisations Social enterprises
Beneficiaries	Residents within Southampton City Council boundaries
Geographical area of applicant	Local, regional or national - but emphasis is on local or regional

When awarded	January
Length of award	1 year
Award decision by	Cabinet
Role of Cabinet Members	Cabinet Members make final decision following officer recommendations
Outline of process	<ol style="list-style-type: none"> 1. Councillors agree broad council priorities 2. Grants advertised and applications submitted 3. Applications appraised by specialist council officers in consultation with Cabinet Members 4. Appraisals moderated in consultation with Cabinet Members and appraisers 5. Report produced for Cabinet with recommendations 6. Cabinet makes grant award decisions

Feedback

Attendees at the two consultation meetings were given the below list of feedback questions to aid discussion. The same questions were used on the two online feedback forms (one for voluntary organisations and one for individuals).

Outcome-based commissioned grants

- 1) What do you think of the outcome-based commissioned grants model suggested in Table 1 on page 3 of the consultation document?
- 2) Can you suggest any changes that you think would improve the model?
- 3) Are there any alternative models you think should be considered? (See other local authority models in Appendix 1)
- 4) If the outcome-based commissioned grants model is adopted how should it be phased in?
- 5) Should an outcome-based commissioned grants model be used for all grants (excluding Community Chest) regardless of the size?
- 6) Would your organisation need extra support to apply for outcome-based commissioned grants? If yes, what support do you need?

Service Users

- 7) Have you discussed the proposed model with your service users? If so, did they have any additional comments to make? (Service users are also welcome to submit their own response on the feedback form for individuals)

Impact Assessments

For questions 8 and 9 please see Appendix 3 for full descriptions of the areas covered by Southampton City Council's Integrated Impact Assessment (IIA)

- 8) Do you think outcome-based commissioned grants will impact differently on one or more of the following groups? Age, Disability, Gender Reassignment, Pregnancy and Maternity, Race, Religion or Belief, Sex, Sexual Orientation

- 9) Do you think outcome-based commissioned grants will impact differently on one or more of the following areas of work? Cohesion, Community Safety, Health & Wellbeing, Poverty & Deprivation, Contribution to Local Economy, Green Purchasing, Pollution & Air Quality, Natural Environment, Energy & Water Efficiency, Waste Reduction, Climate Change.

Community Chest

- 10) Are there any improvements that you think can be made to the process for awarding Community Chest grants?

Other

- 11) Do you have any other comments?