

# Cabinet Report

Report of Head of Service James Carpenter

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To: CABINET

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## Partnership grant scheme – future options for the scheme

### Recommendations

That Cabinet agrees to:

1. Commission information and advice services from 2023 onwards (budget permitting)
2. Extend the current partnership grants to Oxfordshire South and Vale Citizen's Advice Bureau and Wantage Independent Advice Centre (now known as Vale Community Impact) and Community First Oxfordshire towards the provision of services across the district in 2022/23.

### Purpose of Report

1. The purpose of the report is to seek a decision from Cabinet on the future of the council's Partnership Grant Scheme.

### Corporate Objectives

2. The council's partnership grant scheme supports the corporate plan objective of building healthy communities. It also supports the equality objective to support communities to deliver better outcomes for disadvantaged groups and encourage community cohesion.

## Background

1. The council has for many years provided funding for organisations to provide community advice, support and outreach services in the district. This has been in the form of a partnership grant for which there is currently a budget of £154,920 per annum.
2. According to our records there was no formal policy in place for determining which organisations would receive funding and the terms of any grant. The council has therefore reduced the number of these grants over the years to those where we have ongoing commitments.
3. The organisations currently receiving funding are as follows:
  - Oxfordshire South and Vale Citizen's Advice Bureau (CAB) £88,920 to deliver advice services across the district.
  - Wantage Independent Advice Centre (WIAC) now known as Vale Community Impact (VCI) £58,000 to deliver advice services across the district.
  - Community First Oxfordshire £8,000 to offer outreach support and training programmes to community organisations across the district
4. This funding comes to an end this financial year (March 2022).
5. The Options for consideration are:
  - a) Continue with the status quo, funding the three organisations currently in receipt of a partnership grant delivering information and advice services for 12 months (within the constraints of the budget).
  - b) Commission an organisation to provide the advice and support services currently provided by the existing recipients or some of them.
  - c) Develop a policy for the funding that reflects the new corporate priorities and invite all local VCS organisations to apply.
  - d) Close the current scheme, or reduce the value of the scheme, given the council's other financial pressures.

### **Option A: Considerations and risks of continuing with the status quo for 12 months**

6. By offering the current recipients of a partnership grant for 12 months, our communities will continue to benefit from the support and advice they offer as the long-term implications of the pandemic become ever clearer. It will also help to put these organisations' minds at rest that subject to a successful business case and thorough review of their targets, the scheme will remain closed to them, as their resources will continue to be stretched supporting our residents.
7. This approach though does not address the current issues with the scheme, most prominently avoiding duplication in service delivery and funding or being able to better influence service delivery and therefore outcomes for residents. As the grant primarily

provides funding towards an organisation's running costs rather than towards specific services. Officers could look to review the service delivery of the current grant recipients to establish if there is and where there are duplication of services. In addition, as part of the application process, we could look to encourage the current grant recipients to work together to develop their targets in partnership with the council to help avoid duplication in service delivery, where possible.

8. The continued absence of a policy for offering partnership funding could open up the council to criticism from Vale VCS organisations that the council is not transparent in the process or fair in the opportunity to apply. However, there is not time to write and approve a policy and open up the scheme before the end of the financial year which would then result in gaps in funding for the current organisations. Officers could, over the next 12 months, look to establish a fair and transparent process for the scheme from 2023 onwards.

## **Option B: Considerations and risks of commissioning advice and support services from one organisation**

11. Commissioning VCS organisations to provide key services is clearly not a new initiative in the public sector as the following examples show:
  - Calderdale Council - voluntary sector commissioning programme (2021-24), a strategic grants and commissioning programme and the council has contracted advice services since April 2014.
  - Cheltenham Borough Council – currently commissioning additional universal youth work services in 2021 across Cheltenham (£60,000 budget) with the principles and practices of commissioning embedded in the council's structure.
  - Newcastle City Council - £50.5million (14 per cent) of the council's spend on contracts and grants was with Voluntary and Community Sector (VCS) organisations (2019/2020)
  - Oxford City Council - 'Commissioning arts and cultural organisations programme' (2019 – 2021) two-year funding of up to and including £35,000 per year (maximum £70,000 over the period 2019/2020 and 2020/21)
12. This option is likely to attract interest from the current partnership grant recipients. Securing a contract would offer financial and operational stability for the successful organisation and ensure a continuous and consistent service for our residents.
13. Commissioning advice and support services from one organisation would remove any duplication in funding and service delivery, which is a risk with the current approach. VCS organisations have a clear understanding of the specific services they are tendering to provide. By funding programmes as opposed to running costs, it would also encourage organisations to reduce their ongoing financial dependency on the Council by exploring their delivery and funding models.
14. We could invite consortia bids to encourage the current recipients to collaborate, but despite the longer term financial and operational security of this approach, it may not be welcomed by them.

15. Any of the current recipients that are unsuccessful would need some time to respond and adapt to any shortfall in funding.
16. The procurement approach required would take approximately eight months to complete (possibly longer), so to avoid any financial or operational difficulties for the current recipients a further extension (12 months) on their 21/22 grant would be needed.
17. A commission - based approach could generate interest and tenders from national VCS organisations who lack the local insight of and presence in the district. This could lead to disruption in services for our most vulnerable residents and could damage the council's relationship with local Vale VCS organisations not successful in tendering for the contact. We can mitigate this through the procurement process as we can reserve contracts for local providers with clear justification. Please note this approach is only possible for contracts below £189,330.
18. Whilst commissioning is not new for the VCS sector, it is likely to be a new approach for the smaller VCS organisations across the Vale who might lack the capacity or confidence to submit a tender. However, Oxfordshire Community and Voluntary Action can support organisations new to the commissioning process.
19. There is potentially a reputational risk to the council as commissioning can sometimes be viewed as a way of reducing service provision due to tightening budgets. However, there are no plans to reduce the current budget. This approach is ultimately about delivering better outcomes for our residents, where there's the greatest need and delivered by VCS organisations best placed to address them. It's also moving away from encouraging a reliance on grant giving bodies for future survival.
20. There is a risk that the council may not be able to restrict tenders to VCS organisations only, which would allow small and medium-sized enterprises (SME's) to tender. We can mitigate this through the procurement process, as we can stipulate Oxfordshire VCSs only, but only for contracts below £189,330. Taking this approach would also mean we would not be able to accept any bids from surrounding counties even if just over the Oxfordshire border. However, if providing face to face services is part of the specification then the opportunity is unlikely to attract interest from outside the area.

### **Option C: Considerations and risks of developing a policy and opening up the scheme**

21. This will involve drafting and agreeing a policy before being able to invite new applications for funding. The earliest this can happen is 3 December Cabinet, due to Committee cycle. This would not allow sufficient time to invite, evaluate applications and make funding decisions before the end of the financial year. This would lead to gaps in funding for the current recipients. However, these organisations have been asked to share their plans for how they will fund their services in 2022/2023 when there is no council grant to rely on. We are expecting to see and review these mid-October.
22. Alternatively, if the council wishes to continue to fund the current VCS organisations whilst the new scheme is implemented, we could extend the current arrangement for a further 12 months.
23. Applications would be open to all VCS organisations, with a transparent policy and process. However, it is likely to result in more eligible applications than the current

budget can support, so we would risk disappointing organisations that are supporting very worthy causes in the district.

24. Inviting applications for funding can create ongoing dependencies, which the council may not be able to support in the future.

### **Option D: Considerations and risks of closing or reducing the value of the scheme**

25. This would support the Corporate Plan priority to build stable finances but conversely not our priority to build healthy communities.

26. Closing the scheme or reducing the value of the pot available would cause operational and financial difficulties to the organisations currently in receipt of partnership funding. That said, the need to set out a plan for their future financial sustainability has been well trailed. Equally, it could also drive creativity and innovation in the sector.

27. Officers are conscious that a reduction in funding could result in a reduction in the services and support offered in the district to residents. An identifiable risk could be that issues are handed over to the Council to deal with in areas where the VCS “fills the gap”. This could increase demands on council staff as our residents seek support directly from us. As set out previously, to help to mitigate against a reliance on council funding, a condition on this year’s funding was for the current recipients to provide a plan for how the organisation will fund their services in 2022/2023. These will be helpful to us in developing our approach further.

### **Climate and ecological impact implications**

28. A partnership grant scheme could offer positive opportunities to contribute to the council’s climate emergency work through contractual agreements or targets to reduce carbon emissions where possible. Mindful that the annual budget is relatively modest, targets to support our Corporate Plan priorities will be proportionate to the grant or contact awarded and relevant to the organisation and the services provided.

### **Financial Implications**

29. The council has had an ongoing partnership grants budget to fund VCS organisations for a number of years now. £154,920 per annum is included in the medium-term financial plan for 2022/2023 to 2024/2025, subject to the annual budget setting process.

30. Due to the likely contract values in Option B commissioning model, we would need to go down the national ‘Find a Tender’ service with an estimated timescale from tendering to approval of eight months.

31. Any council decision that has financial implications must be made with the knowledge of the council’s overarching financial position. For Vale, the position reflected in the council’s medium-term financial plan (MTFP) as reported to Full Council in February 2021 showed that the council is due to receive £2.6 million less in revenue funding than it plans to spend in 2021/22 (with the balance coming from reserves including unallocated New Homes Bonus).

32. This funding gap is predicted to increase to over £5 million by 2025/26. As there remains no certainty on future local government funding, following the announcement of a one-year spending review by government, and as the long-term financial consequences of the Coronavirus pandemic remain unknown, this gap could increase further. Every financial decision made needs to be cognisance of the need to eliminate this funding gap in future years.

33. Whilst at face value a reduction in the value of the scheme could deliver a saving, this has to be offset against the risk outlined above of the work defaulting back to the council in the absence of delivery by VCS partners.

## **Legal Implications**

34. The council will need to follow the council's contract procedure and procurement rules if it wishes to go down the commissioning route. Contracts would also need to be drawn up with the successful organisations, however this is no different to the current scheme arrangements.

35. Should the current partnership scheme remain, legal agreements with the successful organisations would be required following approval of a successful business case. Successful organisations will also need to ensure compliance to the subsidy control regime.

## **Other implications**

36. In line with the public sector equality duties, we have considered the implications of a one-year partnership grant extension for the three current recipients with a view to moving towards a commissioning model from 2023 (budget depending), officers will continue to regularly monitor the grants or contracts awarded to include both six-month and twelve-month review. Officers are of the view that no groups will be disadvantaged by this decision. All organisations the council funds through this scheme help to advance equality of opportunity for the communities they provide services for.

## **Conclusion**

37. Considering the issues with the current approach whilst equally being mindful of budget and time constraints, officers are recommending a blend of option a and b. This would involve extending the grant term for the three organisations currently in receipt of a partnership grant whilst a commissioning programme is implemented.

## **Background Papers**

- None