

STATEMENT ON FUNDING FOR THE VOLUNTARY AND COMMUNITY SECTOR MONDAY, 31 JANUARY 2011

The County Council currently awards £1.27million in grants to the voluntary and community sector.

In December, the Council's Executive reconsidered these allocations as part of its budget setting process for 2011/12 – the full report is available at: www.tinyurl.com/VCSinfra2011 (scroll down to item 83) – and agreed a number of proposals for consideration by full Council.

Firstly, a reduction in the £354,109 budget for “infrastructure” support for the voluntary sector of 10% in 2011/12 and 20% in a full year was proposed.

The rationale for this saving stems from an independent, consultative exercise conducted by the Third Sector Development Unit at Teesside University and led by Professor Tony Chapman, which examined possible approaches to investment in infrastructure support by the County Council (The report is also available at the link above).

It states (paragraph 15):

“While we identify much potential we also identify a concomitant risk of over-production of infrastructure support for an area with a relatively small population. This over-production of infrastructure support manifests itself in several ways:

- a) duplication of channels of communication to the sector on similar issues;*
- b) duplication of specialist and general support services to third sector organisations;*
- c) duplication of networks serving the same constituencies;*
- d) duplication of communication with communities of place and interest.”*

To this end, the Council feels that a proposed 20% grant reduction is justified on the basis that this will serve to identify and eliminate wasteful and unnecessary duplication in the provision of infrastructure support services.

In addition the Council has subsequently agreed to establish an intelligent commissioning process to secure the effective delivery of infrastructure support services as per option 4 within the University of Teesside report.

This will consist of two “grant commissions” relating to practical interventions to build capacity in the third sector; and Consortia activity. Within these commissions, the Council intends to:

- a) stipulate clearly what services and/or products should be produced as a result of investment;
- b) encourage the submission of collaborative bids to avoid replication/duplication/over-production of services;
- c) establish appropriate measures of achievement and apply rigorous principles of contract compliance;
- d) allocate resources to organisations which have a demonstrable record of organisational competence; and

- e) employ performance management methodologies to track outputs when appropriate

The Council will design these commissions in collaboration with representatives from the voluntary and community sector with a view to initiating an open "expressions of interest" process to their subsequent delivery in early March. The intention is then to have both commissions operational from 1 July 2011.

The organisations who currently receive an infrastructure support grant from the Council have been advised of this change in approach.

The Council is also mindful of the need to phase in this revised approach in a way that gives the existing grant recipients sufficient time to properly assess and appropriately plan for its subsequent implications. The intention therefore is to continue with the current payment regime to these organisations for the first quarter of 2011/12.

The second proposal agreed by the Council's Executive was to retain the remaining £914,000 in the corporate VCS budget, administered and allocated as at present (as detailed on pages 3 and 4 of the report), with further work to take place during early 2011 in order to devise revised arrangements to be implemented in April 2012.

Finally, the Executive confirmed that the Council would not be able to provide additional funding to replace the national funding currently allocated to the VCS Consortium, and to request officers to discuss with the "infrastructure" organisations which it funds how the key elements of these projects can be taken forward within the revised funding levels.

This effectively means that out of a total funding allocation of almost £1.27m, the Executive is proposing that the Council only realises a saving of just over £53,000 from the corporate VCS budget in 2011/12 at a time when the authority is facing a severe challenge in meeting the public sector cuts specified by Government. It must be emphasised, however, that this approach is subject to full Council approval as part of the budget setting process in late February.

Nonetheless, we hope that in the light of the current financial context, you agree that this represents a significant demonstration of the value that the Council's Executive places on the contribution of the voluntary and community sector to improving the quality of life across Northumberland.



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Bob Langley
Chair of Northumberland Strategic Partnership