

BRIDGEND COUNTY BOROUGH COUNCIL
REPORT TO TOWN AND COMMUNITY COUNCIL FORUM
22 JULY 2013
REPORT OF THE CORPORATE DIRECTOR RESOURCES
THIRD SECTOR BUDGET REDUCTIONS

1. Purpose of report

The purpose of this report is to provide the Town and Community Council Forum with an update on the Third Sector Review currently being undertaken in the Council and the potential funding implications arising from the Medium Term Financial Strategy.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The local authority commissions a number of services from the third sector, and makes a number of grant payments to a range of third sector organisations from a number of budget headings across the Council. The Third Sector Review supports the corporate improvement priority of working together to make the best use of our resources.
- 2.2 The Council recognizes the need to work together with the third sector and deliver the Council's improvement and efficiency objectives, as well as the commitments contained in the Single Integrated Partnership Plan (SIPP).

3.0 Background

- 3.1 The Bridgend Compact is a partnership agreement, set up with the Local Service Board, which supports strategic working relations between the third sector and the public sector in Bridgend County. It provides a service framework for evaluating and building good and productive relationships between the voluntary and community sector and the wide range of statutory agencies in Bridgend County. If it is operating effectively, it will achieve a number of outcomes, including more effective relationships, a commitment to inclusive working practices and greater transparency in joint working. The impact of the Compact will be considered during the review.
- 3.2 In terms of the scale of participation with the third sector, the Council currently pays over £4.9m to third sector organisations, £2.4m (48%) of which is from BCBC resources, with the balance from grant funded sources e.g. Welsh Government grant (Families First, Flying Start). Some of the funding is used to commission specific services, whilst the rest is provided to organisations to assist them with their general running costs.

- 3.3 The Council currently funds over 70 separate organisations, with some organisations receiving funding from a number of different sources within the Council. The highest amount of funding received by one organisation is £912k, of which £812k is from specific grants. The highest amount of BCBC funding paid to one organisation is £277k.
- 3.4 There are a variety of governance arrangements in place with respect to this funding – for some funding arrangements there are robust contracts in place, for others there are service level agreements, and for others there are no governance or performance monitoring arrangements in place at all.

4. Current situation / proposal

- 4.1 A project board has been set up within the Council, comprising officers from all directorates, and resources, with representatives from the Third Sector and the Council's External Auditors.
- 4.2 The aim of the review is to evaluate the extent to which the current arrangements support the Council's improvement priorities and links with the Medium Term Financial Strategy (MTFS). It should also consider the extent to which the third sector supports the relevant priorities in the SIPP. The aim is also to work in partnership to ensure that the third sector delivers best value and value for money, with a view to increasing the third sector's role as the provider of high quality services which complement or are additional to public services.
- 4.3 The review will allow us to get a better understanding of the strengths and weaknesses of the sector and to see how the resources can be used most effectively. The current MTFS identifies that the Council needs to make financial savings of at least £24 million over the next 4 years and this will require the Council to consider who provides its services, how these services are provided, and whether or not certain services are required at all. The MTFS identifies target savings from third sector funding of at least £450,000 recurrent revenue savings from the 2012-13 baseline over the financial years 2014-15 to 2016-17, with a minimum saving of £100,000 in any financial year. This savings target will need to be identified from within the £2.4 million currently funded from BCBC resources. The outcome of the review will be a clear set of budget proposals for third sector partners for the next 3 financial years.
- 4.4 A number of workstreams have been established under the project board to consider:

- Governance and Financial control

To provide assurances on the appropriateness of the governance and financial control arrangements in place for the funding provided by BCBC to the third sector. The review will consider the controls in place surrounding application for and award of funding, identification of areas of duplication, renewal of funding and associated processes, and documentation relating to SLAs and contractual arrangements, under the overarching framework of the Compact.

- Value for money and alignment to Council priorities;

To determine whether or not the Council has a clear strategy for how it works with the third sector, it has appropriate operational procedures in place, and it has developed robust procedures in place for monitoring the performance of the work carried out by the third sector. The review will also consider whether or not the funding allocated is used to deliver the Council's and the SIPP's priorities.

- Strategic Capacity and future development;

To determine a long term vision for the relationship between the Council and the third sector in the County and to identify specific actions which BCBC and the third sector can take to develop the capacity of the third sector as the provider of Council funded services.

The review will consider whether or not there are alternative ways of providing services, strengthening commissioning arrangements and considering other third sector organisations who currently do not have provision in Bridgend.

- The implications of national and regional reviews on any recommendations;

To ensure that the project board's recommendations will either not be at variance with good practice or national or regional review recommendations, or there will be clear specified reasons for departing from them.

- Budget Proposals;

To determine budget proposals for the third sector within the MTFS for the period 2014-15 to 2016-17.

4.5 Fieldwork is underway within the various workstreams, involving discussions with a selection of organisations and internal managers, review of service level agreements and consideration of potential future options for service delivery. This could include the creation of service delivery arrangements with different organisations to those currently in partnership with the Council, or could include consideration of the balance of services provided by the Council or the Third Sector.

4.6 Reports from the workstreams are due to be presented to the project board between June and September, with a final report due to be submitted to Cabinet during October. Any financial implications arising from the review will feed into the Medium Term Financial Strategy for 2014-15 onwards, which will be subject to consultation by Overview and Scrutiny before the final budget is approved by Council in February 2014.

5. Effect upon Policy Framework & Procedure Rules.

5.1 None.

6. Equality Impact Assessment

- 6.1 An Equality Impact Assessment will have to be undertaken to assess the impact on any group, identified by the equality duties, before any changes to funding can be implemented.

7. Financial Implications.

- 7.1 There are no financial implications arising from this report, however, the review itself will have financial implications which will need to be reflected in the Medium Term Financial Strategy.

8. Recommendation.

- 8.1 The Town and Community Council Forum note the content of this report.

Ness Young
Corporate Director Resources

July 2013

Contact Officer: Deborah Exton
Group Manager – Financial Planning and Budget Management

Telephone: (01656) 642627

E-mail: Deborah.Exton@bridgend.gov.uk

Postal Address Ravens Court, Brewery Lane, Bridgend, CF31 4AP

Background documents: