

Report of	Meeting	Date
Chief Executive (Introduced by the Executive Member for People)	Executive Cabinet	12 December 2013

REVIEW OF CORE FUNDING AND PROCESS FOR 2014/15

PURPOSE OF REPORT

- This report is presented to provide the Executive Cabinet with the findings of a review of the core funding budget process. It provides recommendations to improve the process for allocation, to be implemented from the 2014/15 financial year.

RECOMMENDATIONS

- It is recommended that the Executive Cabinet agree;
 - To change the process of allocating the core funding budget to a commissioning model as outlined in paragraph 14
 - To distribute the budget in the service areas as outlined in paragraph 21 and 26
 - To give the Executive Member for Resources, Policy and Performance and the Executive Member for People the delegated authority to approve the preferred provider for each service following a commissioning process

EXECUTIVE SUMMARY OF REPORT

- This report provides a summary of the review of the current core funding process; how the funding is allocated and what is achieved through this budget. The review makes a number of conclusions to assist in improving the process. The report goes on to propose changes to the system from 2014/15 onwards, including adopting a commissioning model supplemented with small community funding allocation for small groups. It makes a number of recommendations, which if approved, would alter the process from the 2014/15 budget onwards.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATIONS

- The recommendations are proposed to maximise the impact of the core funding budget to ensure that it is allocated where needs are greatest. Providing a similar level of budget is allocated at Council, the recommendations ensure that the same level of investment will be made in the voluntary, community and faith sector but with greater influence by the Council to choose the services provided by the investment. This will ensure these services complement the current offer provided in the borough.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- The alternative option would be to make no changes to the current process. This has been rejected on the basis that the Council currently has little ability to direct the funding to the areas where the needs are greatest and to ensure services complement current provision.

CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	x	A strong local economy	
Clean, safe and healthy communities	x	An ambitious council that does more to meet the needs of residents and the local area	x

BACKGROUND

- Core funding is allocated to voluntary, community and faith sector organisations within Chorley. In 2012/13, there were 25 contracts/grants that were approved to a total cost of £105,738. In addition, the contract for advice services was approved at a cost of £75,000 making a total of £180,738.
- The current process for allocating and managing the core funding budget was approved in 2011/12 following a previous review.
- In order to ensure that the Council are achieving the maximum impact with the core funding budget, as well as supporting the voluntary community and faith sector, a review has been undertaken. This has resulted in a number of recommendations for improvement.

REVIEW OF CORE FUNDING

- The review considered the current process for allocating the core funding budget. It reviewed where the budget has been spent in the last five years and which groups have benefited from the funding. It also considered any issues with the current system and what opportunities there may be for improvement. The full review can be viewed in the background papers.
- The current system includes three types of funding; large core funding, project funding and small community grants.
- In addition, there is one service which sits outside of the current system – the provision of advice services. This makes up a large proportion of the core funding allocation and to ensure that the service was monitored effectively, it has been subject to a more in depth tender and contract monitoring process. This change has been in place since 2012/13 and it has given the Council a greater level of control on the requirements from this service.

The advantage of undertaking a more contract led approach with this service from 2012/13 has given us the experience to open a commissioning process out to the majority of the spend in this budget.

13. The review makes a number of conclusions;
 - a. Ensuring funding meets needs - Currently, Chorley Council has limited control over which areas the budget goes towards. The impact of the allocations is dependent on who chooses to apply, and what they choose to apply for. There is an evaluation process in place and the applicants are required to indicate how well their service contributes towards meeting the sustainable community strategy priorities, and they are assessed on this. However, if we were to specify the areas of need and commission services to meet that need, it would give a far greater level of control over where the impact of the funding was made. If the process changed from being an open application process to a commissioning model, the Council would be able to look at what the needs and priorities were for Chorley and agree what outcomes they wanted to see. We could then develop specifications for the services to be delivered and request tenders from vcf organisations who are able to deliver these specifications.
 - b. Issues with the project funding - Of the three categories, the project funding has been the least well utilised. This is due to the quality of the project applications that have been received, and as such the amount of money spent in this area has decreased year on year. This may be because organisations prefer to focus on the large core funding as this is how they deliver the services, or because organisations tend to go to other funding sources e.g. lottery funding for this sort of financial support.
 - c. Lengths of contracts - The core funding contracts / grants are currently one year contracts. However, it is worth exploring the feasibility and advantages of moving to longer term (three year contracts) as this would provide greater sustainability and security for the sector and the services they provide.

PROPOSED PROCESS FOR 2014/15

14. Based on the conclusions within the review, it is recommended that we move towards a commissioning model. The commissioning model will enable Members to decide which are the areas of greatest need within Chorley, and prepare invites to tender for organisations to deliver services to meet these needs. This would be supplemented by support for small organisations through a small community funding process.
15. The benefit of this approach is to direct funding towards services that meet the needs of the community, whilst continuing to support the whole of the vcf sector. This is done both through the combination of commissioning and small community funding, and through the Council's on-going commitment to support the VCFS Network.
16. The VCFS Network has a two year contract for 2013/14 - 2014/15 to support the sustainability and development of the sector. This will continue, and we will work with the VCFS Network to support organisations throughout these changes if implemented. This will include supporting organisations to become 'commission ready' and tender to deliver services, but also to support smaller organisations who may not want to follow this process of commissioning to achieve funding and sustainability in another way.

17. If these recommendations are agreed, the following next steps will apply;

Action	Outline timescale
Communication with the current contract recipients and the VCFS Network regarding changes to funding allocation process	December - January
Develop 'invitation to tender' documentation for the eight commissions as listed below and advertise on the chest	January
Evaluation of tenders received and decisions on preferred provider to be taken by Executive Member for Resources, Policy and Performance and Executive Member for People	February - March
Contracts to be developed and signed for service delivery to begin on 1 st April	March
Process for application of small community funding to be open – during March and during September	March and September

SERVICE AREAS TO BE COMMISSIONED FOR 2014/15 – 2016/17

18. If these recommendations are agreed, the services to be commissioned also need to be agreed. To assist in this process, some analysis has been undertaken of the current levels of need within Chorley. This is attached as an appendix.

19. This analysis shows the need for services to be commissioned to support the following vulnerable groups;

- a. Activities and support for older people
- b. Activities and support for young people
- c. Advice services
- d. Community safety (night time economy and town centre)
- e. Support for families with young children
- f. Support for vulnerable adults (those at risk of homelessness)
- g. Support for vulnerable adults (women and domestic violence)

20. It is recommended that these services are commissioned and provided with three year contracts. This would provide greater sustainability and security for the sector. The contracts will include annual breaks which will enable the Council to terminate the contract if performance was not as expected or the need for the service had changed.

DISTRIBUTION OF CORE FUNDING BUDGET IN 2014/15

21. These proposals are based on the assumption that the same amount of the Council's budget will be set aside for vcf core funding allocation (£175k). This will be confirmed at budget Council.

22. It is recommended that 85% of the annual budget is allocated between a number of services to be commissioned;

Service to be commissioned from 2014/15 – 2016/17	Overview	Maximum proportion of commissioned services budget
Advice Services	Provision of generalist advice services focusing on debt, welfare and housing	50%
Support for families with	Early intervention support for families	15%

young children		
Support for vulnerable adults (specifically women and domestic violence)	Support for women affected by domestic violence including counselling and courses	10%
Activities and support for older people	Provision of activities, food and courses for older people and carers and transport to activities	7.5%
Activities for young people	Provision of arts based activities for children and young people	7.5%
Community Safety	Provision of night time support in the town centre and deprived areas to reduce crime and anti-social behaviour	5%
Support for vulnerable adults (specifically those at risk of homelessness)	Support for those at risk including prevention, relief and mediation	5%
Total		100%

23. The percentage allocations denote the maximum proportion of the commissioned services budget that will be ringfenced for each service. These have been based on both the levels of need as indicated in the appendix, but also an understanding of the approximate current costs to provide such services.

24. The remaining budget (equivalent to around 15% of annual budget) will be allocated to;

- a. an annual commission, and
- b. small community funding

a) Annual Commission

25. It is proposed that a portion of the budget is set aside each year for the Council to identify any new or emerging needs in Chorley and to have a budget set aside to invite a vcf organisation to tender for that work. This would supplement the three year contracts as recommended for the main services, whilst allowing some flexibility within the system.

26. For 2014/15, it is proposed that the annual commission is in the area of support for vulnerable people (sustainability and offer of emergency provision i.e. food banks).

b) Small Community Funding

27. The remainder of the funding will be allocated through a small community funding process. This will consist of two schemes;

- a. Councillor Community Grants – This will consist of a budget of £250 per Member. They will be able to allocate this funding to vcf groups following the existing procedures. Total proportion of budget – £11,750
- b. Small Community Grants – This will consist of an open application process for small community groups to apply for grants of up to £500. The applications will be open twice a year in March and September, with decisions on funding to be made by the Executive Member for People. The portion of the budget allocated is based on the average spend each year in this section of core funding over the last five years. Total proportion of budget - £5,000.

28. The total budget will be proportioned in the following way;

Process	Budget (£)
Commissioned Services	148,750
Annual Commission	9,500
Small Community Funding	
a) Councillor Community Grants	11,750
b) Small Community Funding	5,000
Total	175,000

29. This is the anticipated split of the budget, which will have some limited flexibility to in order to meet all demand.

IMPLICATIONS OF REPORT

30. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	x	Customer Services	
Human Resources		Equality and Diversity	
Legal	x	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

31. The report sets out the new commissioning process and how funding will be allocated. The distribution will be contained within the budget allocation set and agreed by Council.

COMMENTS OF THE MONITORING OFFICER

32. The grants scheme and commissioning process proposed is within the powers of the Council.

GARY HALL
CHIEF EXECUTIVE

Report Author	Ext	Date	Doc ID
Sarah James	5348	21 st November	Review of Core Funding

Background Papers			
Document	Date	File	Place of Inspection
Review of Core Funding	21 st November	Review of Core Funding	Policy and Comms

APPENDIX - IDENTIFICATION OF AREAS OF NEED

In order to identify the services to be commissioned, information has been brought together to consider what some of the needs are within Chorley. Information has been considered in the areas of deprivation, employment, welfare reform, health, community safety, vulnerable groups and activities. Analysis of this information concludes that commissioning services in eight areas would ensure that some of these needs were met.

Area	Description																			
Deprivation	<p>For Chorley, the last indices of deprivation, released in 2011 indicated that the number of areas that could be classified as being deprived overall and in terms of employment and income has increased. Areas that had been deprived in 2007 had become deprived at an even greater rate than other areas.</p> <p>There are now ten areas ranked in the bottom 20% nationally and all of these have dropped overall in the rankings. Changes to the welfare system will increase the existing gap between deprived and affluent areas as they will have an even bigger impact in these more deprived areas, identified below and these areas will require greater support than ever.</p> <table border="1" data-bbox="376 891 1297 1317"> <thead> <tr> <th data-bbox="376 891 671 936">Ward</th> <th data-bbox="671 891 1297 936">Description of bottom 20% area</th> </tr> </thead> <tbody> <tr> <td data-bbox="376 936 671 1016" rowspan="2">Chorley South East</td> <td data-bbox="671 936 1297 972">Chorley Town Centre East</td> </tr> <tr> <td data-bbox="671 972 1297 1016">East of Pall Mall/West of Pilling Lane Area</td> </tr> <tr> <td data-bbox="376 1016 671 1097" rowspan="2">Chorley East</td> <td data-bbox="671 1016 1297 1052">Area Between Stump Lane & Lyons Lane</td> </tr> <tr> <td data-bbox="671 1052 1297 1097">Cowling/Eaves Lane South</td> </tr> <tr> <td data-bbox="376 1097 671 1133">Astley & Buckshaw</td> <td data-bbox="671 1097 1297 1133">Buckshaw Village & Astley Village North</td> </tr> <tr> <td data-bbox="376 1133 671 1169">Chorley South West</td> <td data-bbox="671 1133 1297 1169">Moor Road North/Eaves Green Road Area</td> </tr> <tr> <td data-bbox="376 1169 671 1249" rowspan="2">Clayton-le-Woods North</td> <td data-bbox="671 1169 1297 1205">Clayton Brook North West</td> </tr> <tr> <td data-bbox="671 1205 1297 1249">Clayton Brook North East</td> </tr> <tr> <td data-bbox="376 1249 671 1285">Chorley North East</td> <td data-bbox="671 1249 1297 1285">Thornhill Area</td> </tr> <tr> <td data-bbox="376 1285 671 1317">Coppull</td> <td data-bbox="671 1285 1297 1317">Coppull Central</td> </tr> </tbody> </table> <p>In terms of income deprivation, there are seven areas that are ranked in the bottom 20% nationally. Changes to the welfare system will increase the existing gap between deprived and affluent areas as they will have an even bigger impact in these more deprived areas, identified below and these areas will require greater support than ever.</p>	Ward	Description of bottom 20% area	Chorley South East	Chorley Town Centre East	East of Pall Mall/West of Pilling Lane Area	Chorley East	Area Between Stump Lane & Lyons Lane	Cowling/Eaves Lane South	Astley & Buckshaw	Buckshaw Village & Astley Village North	Chorley South West	Moor Road North/Eaves Green Road Area	Clayton-le-Woods North	Clayton Brook North West	Clayton Brook North East	Chorley North East	Thornhill Area	Coppull	Coppull Central
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Employment	<ul style="list-style-type: none"> 19.5% (12,900) in Chorley aged 16-64 are economically inactive, which has increased from 18.8% in Sept 2012. The unemployment rate of those economically active is at 5.4% of Chorley's working age population – this has reduced from 5.9% at December 2012 but reduced from 5.3% at March 2013. <p>Average weekly pay is £495 which is lower than the Great Britain average (£508).</p>																			
Impact of welfare reform	<p>Chorley has seen levels of people requesting advice and support due to low income and debt rising.</p> <table border="1" data-bbox="376 1823 1366 2098"> <thead> <tr> <th data-bbox="376 1823 587 1899">Measure</th> <th data-bbox="587 1823 1007 1899">Description</th> <th data-bbox="1007 1823 1174 1899">12/13 Qtr. 1</th> <th data-bbox="1174 1823 1366 1899">13/14 Qtr. 1</th> </tr> </thead> <tbody> <tr> <td data-bbox="376 1899 587 2040" rowspan="2">Chorley Council Housing Options and Advice Service</td> <td data-bbox="587 1899 1007 2040">Number of new queries received by the housing options and advice service</td> <td data-bbox="1007 1899 1174 2040">151</td> <td data-bbox="1174 1899 1366 2040">252</td> </tr> <tr> <td data-bbox="587 2040 1007 2098">Waiting list applications made</td> <td data-bbox="1007 2040 1174 2098">570</td> <td data-bbox="1174 2040 1366 2098">471</td> </tr> </tbody> </table>	Measure	Description	12/13 Qtr. 1	13/14 Qtr. 1	Chorley Council Housing Options and Advice Service	Number of new queries received by the housing options and advice service	151	252	Waiting list applications made	570	471								
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Chorley Council Council Tax	Volumes of reminders sent at end of Sep	6,476	8,619
	Volumes of summonses issued at end Sep	1,660	2,239
Chorley Council Housing Benefit	Number of discretionary housing payment applications	29	93
	Number of discretionary housing payment awards	17	27
Lancashire West Citizens Advice Bureau	Number of contacts received in relation to welfare benefits	333	376
	Number of contact received in relation to debt advice	348	280
Living Waters Food Bank	Numbers of families receiving food parcels	7	173

With the exception of debt advice, these measures show that there have been increases in all areas with regards to families needing more support with regards to financial assistance

In addition, the impact of welfare reform can be seen to have affected Chorley's families;

Households required to pay council tax when previously not liable to pay	2775
Households paying increased proportion of council tax	1580
Number of households affected by the benefit cap	18
Range of household benefit cap weekly loss	£3 - £137
Number of households affected by under occupation	749
Number of people claiming DLA <i>(this figure includes all applications for under 16s who are not affected by PIP)</i>	1545

The Chorley Partnership vulnerable family's project found that the families most affected will be:

- Low income families receiving benefits, particularly disability/social care support.
- Very vulnerable young families with 3 or more children living in deprived wards
- Single non-dependent younger people aged 16-34 who may be vulnerable

Health

- The health of people in Chorley is varied compared with the England average. Deprivation is lower than average, however about 2,600 children live in poverty.
- Life expectancy for women is lower than the England average. Life expectancy is 9.7 years lower for men and 7.1 years lower for women in the most deprived areas of Chorley than in the least deprived areas.
- Over the last 10 years, all cause mortality rates have fallen. Early death rates from cancer and from heart disease and stroke have fallen.
- In Year 6, 16.9% of children are classified as obese. Levels of breast feeding and smoking in pregnancy are worse than the England average.

	<p>The level of GCSE attainment is better than the England average.</p> <ul style="list-style-type: none"> • The estimated level of adult physical activity is better than the England average. • Rates of hip fractures, road injuries and deaths and hospital stays for alcohol related harm are worse than the England average. • The rate of sexually transmitted infections is better than the England average.
Community Safety	<ul style="list-style-type: none"> • Feelings of safety at night have increased from 56.1% at 2008 to 68.5% at 2013 however this is still below the Council's target of 70%. The increase now needs to be sustained to ensure the target is reached. • Alcohol related violence has increased by 25.7% compared to the same time last year. At quarter 2 2012 the figure was 109 compared to 137 at quarter 2 2013. Positively anti social behaviour has seen a decrease of 6.2% compared to the same time last year thanks to targeted initiatives in this area.
Vulnerable groups	<p>Domestic violence</p> <ul style="list-style-type: none"> - Rate of domestic abuse detections is lower than the target. Quarter two – 64% (target 70%) - From Children's Social Care, the number of domestic violence referrals (including contacts) increased significantly in Chorley in 2012-13 (+65%) and this was higher than the increase reported by neighbouring authorities. - Having decreased in 2011-12, the number of referrals made to Children's Social Care in Chorley rose substantially (+23.5%) in 2012/13. However, within the Central Lancashire districts, Chorley had the fewest referrals. <p>Homeless preventions</p> <ul style="list-style-type: none"> - Number of new queries received by the housing options and advice service has increased from 151 in Q1 12/13 to 252 in Q1 13/14 <p>Number of homelessness preventions and reliefs continues to be higher than target in this year – target is 100 preventions by the end of Q2. Current performance is at 329 preventions.</p>
Provision of activities	<p>Older people</p> <ul style="list-style-type: none"> • Chorley has the most rapidly ageing population in the North West with 20.6% of the boroughs population estimated to be aged 65 or over by 2020. • Since April 2013, 15,143 older people have visited council leisure centres. • Research undertaken to look at social isolation in the borough showed that 37% of respondents would like to get involved in more activities <p>Young people</p> <ul style="list-style-type: none"> • Since April 2013, 150098 young people have attended council leisure centres and 1377 1 have taken part in Get Up and Go activities. • Research shows that children and young people prefer a range of activities, not just sport and physical activity. Analysis from the voluntary and statutory positive activity projects Sept 11 – Sept 12 showed that children and young people wanted to see provision that included arts and crafts, dance and music (approx. 45% of respondents)

In conclusion, commissioning services in these eight areas would ensure that some of these needs were met.

Area	Rationale
Activities and support for older people	Chorley has the most rapidly aging population in the north west – and this group of people have indicated that they would like to attend more activities in the recent consultation. Provision of activities can help to reduce social isolation, and the associated health and wellbeing benefits that can bring.
Activities and support for young people	The information shows that young people are getting involved in activities around the borough, but that this is primarily in a range of physical activities. The consultation undertaken by the youth service shows that children and young people want to see a provision that includes arts, crafts and music. This would supplement the Chorley Council provision offered by get up and go activities.
Support for vulnerable adults (specifically women and domestic violence)	The information shows that the rate of domestic abuse detections is lower than the target. Support for these vulnerable adults is needed to ensure that domestic abuse victims are able to get help in a safe environment.
Support for vulnerable adults (specifically those at risk of homelessness)	There are specific increases in homelessness preventions and reliefs and advice regarding housing support. This may be connected to the welfare reform changes seen in the information (e.g. under occupancy). The provision of a service to support people in this specific area would help to prevent homelessness and more costly interventions if the situation reaches crisis point.
Family Support	The information regarding the people likely to be most affected by welfare reform and the recent increase in referrals to social care demonstrate the need for family support. In particular, early intervention support for families to ensure that they don't find themselves in crisis and require more costly interventions.
Advice Services	The information regarding the impact of welfare reform demonstrates the need for advice services in Chorley. This combined with the increases in deprivation and particularly in income deprivation shows that there may be an even greater need for advice and support than previously.
Community Safety (night time economy and town centre)	The information shows that feelings of safety at night and alcohol related violence both require targeted intervention to ensure that people both feel safe and are supported at night time, particularly in the town centre.
Support for vulnerable people (sustainability of emergency provision i.e. food banks)	The information regarding the impact of welfare reform, and in particular the huge increase in demand for food banks demonstrates a need to ensure that there is emergency provision within Chorley that is able to cope with demand.