

5 April 2017

Dear Colleague

Response to the Newcastle City Council consultation on the Newcastle Fund proposal

Newcastle CVS is the lead infrastructure organisation for Newcastle and Gateshead's voluntary and community sector. As well as developing and supporting voluntary and community organisations to be more sustainable and resilient, we organise networks and events and represent the voluntary and community sector in strategic discussions. We carry out research and produce policy studies. We have over 750 member and associate organisations that are local voluntary and community organisations.

Newcastle CVS has promoted this consultation through our networks, e-newsletters, social media, and holding a workshop. We have been involved with the Newcastle Fund since its inception, we have promoted it, played an active part in the annual launch, advised organisations about applications, received funding from it, advised on different elements of the process and gave evidence to the Overview and Scrutiny Committee. These experiences form the basis of this response.

Newcastle CVS welcomes the commitment of Newcastle City Council to invest in local voluntary and community organisations and social action through a dedicated grant. The recent House of Lords report on charities (March 2017) notes the importance of grant aid and recognises positive benefits of Local Authority Grant Aid programmes, even during the current tough financial environment. This important role of Local Authorities is reinforced further through recent reports from the Lloyds Bank Foundation (Facing Forward) and the Esmée Fairbairn Foundation.

Inevitably the nature and purpose of the (Newcastle) Fund has changed over the years and there needs to be clarity in the future. It isn't clear whether there will be ward budgets after March 2018, so will the Fund be used to cover those grants currently supported by ward funding? The Newcastle Fund is currently used to pay for some core contractual services: will it be purely grant aid in the future? The actual overall budget is not clear, given the existing and long term commitments. It would be more transparent if at the beginning of each financial year, there was a report setting out the amount in the Fund, the current commitments, the current recipients with their allocations, and the amount available for that year and future rounds.

Over the years Newcastle CVS has published a number of reports about the voluntary and community sector in Newcastle and the key issue is funding. Inevitably some organisations will respond to this consultation through their own lens, but this is inevitable and funding has significantly reduced, particularly for organisations with an income of £100,000 to £2million.

We have previously suggested a multi-sector group looking at any and all funding opportunities that arise in order to maximise effectiveness and streamline approaches. This would provide a

more cohesive approach, ensure a more open access to opportunities, and provide a strategic overview. By not adopting such an approach, Newcastle is missing out and capacity is wasted on multiple applications. This would not mean the Council delivering this process, but rather enabling it to happen.

We welcome this opportunity to comment on the Newcastle Fund and we would congratulate the Council on recognising the investment it makes through this fund in the sector. .

Part One

1.1 Purpose of the Fund

We believe it is important to have a clear statement of purpose, but the proposed wording is opaque. The term 'assets' can mean people, organisations, facilities or communities. If the wording is too tight / rigid, it could exclude creative applications. If the aim is to improve wellbeing (and health?) then be more focused. There is no reference to inequalities. E.g. The Newcastle Fund aims to improve wellbeing, reduce inequalities and strengthen community life in Newcastle.

The reference to the voluntary and community sector could come later.

'Asset based ways of working' can mean many different things and a number of the grants given over the years would not fit this criteria. Many organisations have an asset-based approach which might not fit a more pureist definition. Community and voluntary organisations have to focus on and involve their beneficiaries, so there is an argument that all are asset-based.

How would VCS organisations be 'engaged throughout 2017', the reductions in the Communities Team means they do not have the capacity for this work. This is not included in the current support and development contract for Newcastle CVS - but clearly it could be included in a future one.

1.2 Priority setting

It is not clear if Ward Committee funding will exist in the future and clearly this has had a different set of priorities, amounts and organisations involved. This proposal seems to conflate the two issues. The newly introduced Ward Committees have not necessarily been successful across the city; this is not a criticism of the people involved, but the introduction of a new and different process that hasn't had time to be embedded. If these committees are used to define local priorities, that is quite a complex exercise and is fine if it used to determine local spending. However if the same process is used to determine City-wide priorities, that becomes much more problematic. A lot of the discussion at Ward Committees has tended to focus on environmental issues rather than wider social concerns. Quite a number of previously funded projects provide 'hidden services' e.g. Support to children who parents have experienced domestic abuse. There are also capacity building funded products whose work isn't necessary visible and obvious, particularly to communities living in different parts of the city. The timeframes do not fit together.

Any outcome measures should be realistic and proportionate. A £10,000 single year grant is not going to demonstrate huge change. There should be outcomes but these will inevitably relate to local communities and often external environmental changes can have major impacts e.g. Welfare reforms. There needs to be clarity over who monitors performance as the Fund covers a wide spread of applicants e.g. Community support, arts and cultural events, social care, environmental improvements, infrastructure

There has been confusion over the years whether the Newcastle Fund will cover core costs or project costs, whether it funds existing or new work and it is important to be clear about this. We would suggest that none of these should be excluded in order to maximise creativity and the quality of applications. Feedback is sometimes given, but not always, and again there needs to be consistency in approach. Organisations have been told they will be offered support (clearly not financial) when their funding finishes, but again this has not been consistent.

This is public money and must be appropriately monitored but there could be more imaginative ways to consider the use of the Fund. The consultation as set out does not offer an opportunity to consider process and approach. There could, for example, be several parts to the Fund. There could be a small grants pot, with light touch applications and monitoring to a maximum of £10,000 grants, but applicable to organisations with an income of less than £250,000. There could be a 'community anchor' element to invest in those organisations that are considered essential to the wellbeing of the city over a two / three year period which would contribute towards core costs but be of a significant amount; this would be a more complex application and monitoring process. Will there be a maximum amount of funding for each bid? Will applications for more than one year be encouraged or discouraged? There could be an 'open call' element to encourage creative thinking based on annual priorities. There could be an element for matched funding.

The consultation does not offer the opportunity to consider different ways of using the Newcastle Fund and we believe if all the funding is used in the same way it is a missed opportunity.

Part 2

2.1 Grant bidding and monitoring

Any application process should be linked to the aims and intentions. We would clearly support a more proportionate and appropriate application and monitoring process for smaller organisations. Our expertise in funding advice means our staff have wide experience of a number of application forms and we would be happy to advise on best practice, try out forms and contribute to the improved process.

We supported the changes to the frequency of performance information submission.

There would need to be clear information available for the launch of the Fund on 5 June. There should be clarity over who reviews the impact of the changes after Round 8 and when this takes place in order to improve Round 9.

2.2 Decision-making

The decision-making process needs to be clear and transparent. It is helpful for applicants to know and understand how the decisions are made, the weightings given to different elements and questions (similar to the contractual process) and what is expected from them. We would fully support the publication of evaluation criteria; indeed this is best practice.

The balance of Council Officers and independents is not clear. We would support an independent Panel Chair. It is assumed that relevant departments / officers go through each application, score it and make recommendations. Clearly contextual knowledge is important e.g. An applicant might ask for funding for a project that is similar to one provided by a different organisation and the panel might not be aware of this. We would suggest that council officers who score the applications should not be on the panel.

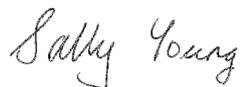
One of the key concerns expressed to us about the Newcastle Fund in the last few years is the relationship between the Newcastle Fund, contracting and the budget process. There have been projects which had received mainline funding, sometimes through contracts, which are removed in the budget process and then appear as successful applicants to the Newcastle Fund. We have similarly been approached by organisations that have lost their mainline funding, or had it reduced, who have been advised to 'bend' their Newcastle Fund money to accommodate this lost work. This is an uncomfortable position and needs resolution else there is the perception of favouritism. Newcastle Fund applications should stand or fail on their individual merits.

Once decisions have been taken by the Cabinet and organisations informed, the information should be publicly available. Organisations should be informed as quickly as possible; the recent round was problematic as organisations were informed of the Cabinet decisions three weeks later, when a number were closing for Christmas. This is particularly problematic if there are redundancy processes or overall organisational financial stability problems.

We welcome being asked to participate in any future consultation.

Please regard this letter as the Newcastle CVS formal submission to the consultation.

Yours sincerely

A handwritten signature in cursive script that reads "Sally Young".

Sally Young
Chief Executive