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Funding And Finance Event Thursday 19th March Holiday Inn Guildford

Post Event Report

Introduction

RAISE and the Regional Strategic Cross Sector Partnership (RSCP) facilitated an all day workshop in the region on 19th March 2009. The workshop was designed to look at the current funding and finance environment, exploring the challenges faced by the Third Sector and progress made against the 'Funding and Finance Report, Developing the Dialogue in the South East' which was published in 2006. Over 40 delegates from frontline and infrastructure organisations attended this interactive workshop.



*Facilitated by
Catherine Johnstone*

The event provided the opportunity to:

- Share current practice both good and bad in contracting, tendering and grant funding.
- Consider the impact of the recession on Third Sector organisations.
- Understand how Third Sector economic policy is affecting organisations.
- Enable RAISE and the RSCP to gather information to influence policy in the South East.

Looking Back: 2006 Headlines

In 2006 RAISE worked with the ChangeUp Regional Consortium to analyse the funding and finance issues facing the Third Sector in the South East. Extensive consultation with over 1000 organisations ensued, resulting in the creation of the Funding and Finance Report which is available on the RAISE website at www.digbig.com/4ynxr



*RAISE Funding and
Finance Report 2006*

The prominent headlines taken from this time are as follows:

- Central Government drive to increase public service delivery needed more clarity.
- Lack of shared understanding of commissioning and procurement between Sectors.
- The emergence of Third Sector policy through the Cabinet Office as a result of the Third Sector Review leading to lots of changes in partnerships and contacts which destabilised existing relationships.

Local tensions were also present:

- Feeling that public service delivery changes were being forced onto local areas.
- Concern that the public service delivery agenda signalled a loss of grant funding.
- Lack of willingness to involve the Third Sector in service design.
- Scepticism about service provision staying with small Third Sector organisations, evidence suggested larger organisations were winning contracts that had no local connectivity.

Looking Forward: 2009 Key Findings

Commissioning and Procurement

Delegates shared their local experiences within the commissioning and procurement agenda. There was significant evidence that there had been an increase both in understanding of the agenda and participation within local commissioning and procurement processes.

Some common themes emerged in the form of continued challenges:

- ✚ Often the experience of the procurement and commissioning agenda within Health was more positive than within local government practices.
- ✚ Small amounts of grant funding repackaged as a tender process with inaccessible tender forms.
- ✚ There was a definite sense that there was an increasing move away from grant funding.
- ✚ There were limited examples of contracts exceeding 3 years and where examples were found they related to Leisure Services.
- ✚ Trustees were generally struggling to adapt to the changes in the funding and finance environment.
- ✚ Tendering portals were felt to be difficult to access and often the Third Sector was unaware of them.
- ✚ Size does matter as it was still felt that the smaller Third Sector organisations were struggling to get engaged in this agenda in a meaningful way, due to both resource implications and available expertise.
- ✚ Local Area Agreements (LAAs) had been both helpful and unhelpful, depending upon where the organisation was based.

Getting Recession Ready

It was clear that the majority of delegates had not yet considered the impact of the recession on their own organisations, ahead of the workshop or in fact thought about the collective impact at a sub-regional and regional level.

It was accepted that the impact of the current recession on the Third Sector could be greater than in previous recessions due to the increased reliance on Public Sector funding within the Third Sector. Importantly there was evidence that the impact in the South East would be significantly greater than in other regions due to their current contribution of funds to the Treasury being higher than in all other regions. This will mean that there is likely to be greater losses of

South East to suffer a greater economic impact due to the regions contribution of funds to the treasury being higher than other regions.

industry, jobs and skills within the region which will be exacerbated by the current funding formulae which often leads to there being less available funding for work to tackle deprivation and skills issues.

Work at a national level was underway to support the Third Sector with the impact of the recession. The Office of the Third Sector has published an action plan offering £42.5million of government support. This publication 'Real Help for Communities: Volunteers, Charities and Social Enterprises' attempts to outline some of the key initiatives available to the Third Sector to mitigate the effects of an economic downturn. This document is available on the RAISE homepage at www.raise-networks.org.uk. However delegates observed that whilst it was useful to see the initiatives that could support the Third Sector during the recession it was clear that many of the initiatives had been in place ahead of the economic downturn.

Case Studies

Local examples of best and challenging practice were shared amongst delegates at the event.

Case Study- Sharing best practice

An excellent example of making the commissioning and procurement agenda work within the Third Sector was shared. A small locally based user-led Community Interest Company, run and managed by Disabled People and based in a Unitary Authority in the South East, had initially secured its own building with a long term aspiration to develop a shared resource centre for like-minded organisations in the locality. The organisation formed, by three shareholding organisations that are themselves run and managed by Disabled People, secured a loan from Futurebuilders which has allowed them to realise their aspirations to collaborate and work more closely with each other and other user-led disability service providers. The building now contains much needed, fully accessible office space and conference facilities that are rented out to bring in revenue for the three organisations. As a user-led initiative this was a real achievement in their locality and the services provided continue to develop in volume and strength.

Case Study – Sharing challenging practice

Delegates shared a range of examples where commissioning practices through local government had proved to be disproportionate to the value of any contract. One particular example, for children's play services, highlighted the very complex and lengthy process, with inaccessible documentation, that was required to be undertaken in order to attempt to secure a contract for just under £10,000 that had previously been provided through an existing grant arrangement. It was noted that whilst this process was underway the organisation had been forced to divert capacity to manage the procurement process rather than the delivery of the service. The outcome of the process was not known at the time of the workshop, however if the organisation ceased to secure the contract then this would have a detrimental effect on the rest of the organisation.

Conclusions

The workshop highlighted that the commissioning and procurement agenda is more advanced within the Third Sector than in 2006. However the pace of change appears to be different within certain elements of the Public Sector. There was a definite trend for the Health Services to be working more effectively with the Third Sector. Size and capacity of Third Sector organisations remained a prominent challenge in terms of involvement within the agenda, as the smaller organisations that were often better connected to the end users of services lacked either the capacity or expertise to get involved.

There was a general consensus that there was a need for further work in the South East to look at the potential disproportionate impact of the recession on the region. Most delegates reported that they felt better able to raise the issues relating to the economic downturn within their own organisations as a result of their attendance at the workshop.

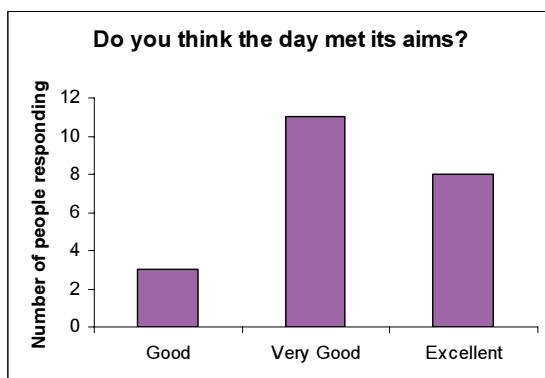
What will we be doing next?

Supported by RAISE the RSCP will :-

1. Present the findings from the workshop to the key policy makers in the region.
2. Follow up on the highlighted differences between Public Sector commissioners.
3. Publish an updated version of Hidden Asset.

Evaluation Graphs

The charts below represent the evaluation responses from 23 out of the 40 delegates. The general consensus is that the funding and finance event was 'very good'.



Useful Documents

The following are useful documents to assist recession planning: Funding and Finance Developing the Dialogue in the South East Report - RAISE briefing sheets 11/13 - Hidden Asset - Office of the Third Sector Real Help for Communities Action Plan - NCVO publication 'Backing Communities: Local solutions.'

For more information on this event contact Abigail Lee on 01483 885271 or email abigail@raise-networks.org.uk

