

## National Assembly for Wales Communities and Culture Committee Inquiry into ‘The Assembly Government’s Funding of Voluntary Sector Organisations in Wales’: Response by the Welsh Assembly Government

Recommendation	Comments
<p>1. The Welsh Assembly Government, local authorities and other public bodies should treat the third sector as a strategic partner, when planning, commissioning and delivering public services.</p>	<p>The Welsh Assembly Government views the third sector as a key strategic partner in the planning, commissioning and delivery of public services. This is recognized in both ‘Delivering Beyond Boundaries’ and ‘The Third Dimension: A Strategic Action Plan for the Voluntary Sector Scheme’. It is further evidenced by:</p> <ul style="list-style-type: none"> <li>• The Minister for Finance and Public Service Delivery has confirmed his support for third sector being an equal partner on LSBs, and will be reaffirming this in the update of the LSB prospectus which is in preparation</li> <li>• The Making the Connections Unit (MtC) is developing a training package for the 22 Assembly Government members of Local Service Boards (LSBs) and this will include information on the third sector’s role in LSBs. MtC is also developing a training programme to support the full participation of County Voluntary Council (CVC) representatives as equal partners on LSBs. MtC will also be contributing to a WCVA event in July which is also geared to developing the CVC role on the LSB.</li> <li>• Community Plans - Local Vision: Statutory Guidance from the Assembly Government on developing and delivering community strategies was published in March 2008. This guidance includes detailed advice on full inclusion of the third sector in community planning activities.</li> <li>• Spatial Planning - Third Sector representatives are members of all the Wales Spatial Plan groups, at officer and Ministerial level. These representatives are involved in all decisions relating to the priorities and implementation of the Spatial Plan at a regional level. They are also participating in the further development of the Spatial Plan across Wales. Voluntary sector representatives have contributed to the drafting of the Area Sections in the forthcoming Wales Spatial Plan Update.</li> </ul>
<p>2. The Wales Council for Voluntary Action should review existing procedures for monitoring the performance of County Voluntary Councils; to include both quantitative and qualitative measures. The Wales Council for Voluntary Action should then review the performance of County Voluntary Councils against these criteria on a rolling programme.</p> <p>The review should be completed by April 2010.</p>	<p>Service standards and performance measures have been prepared and agreed between the Assembly Government and the WCVA, identifying the services to be provided at national, regional and local levels, and who they will be provided by. They include both quantitative and qualitative measures.</p> <p>WCVA co-ordinates service and performance monitoring, reporting and performance improvements through collaborative working with the CVCs and volunteer centres. In addition to this an independent review is undertaken by WCVA’s Risk &amp; Performance Analyst in conjunction with the Assembly Government’s Internal Audit Service.</p> <p>Currently, arrangements are in place for six-monthly monitoring and reporting which include:</p> <ul style="list-style-type: none"> <li>○ A review of service standards and performance against targets</li> <li>○ A review of service patterns to identify areas of best practice and potential improvements</li> <li>○ An independent audit of the service and performance of the organisations which make up the partnership.</li> </ul>

	<ul style="list-style-type: none"> <li>○ Biannual review meetings with the Assembly Government to discuss performance and priorities.</li> </ul> <p>Additionally, a sub-group has been set up to look at further collaborative working with representatives from WCVA, the CVCs and volunteer centres. Initial proposals will be produced in the autumn of 2008, with a view to undertaking feasibility studies by October 2009, and subsequent implementation from 2010.</p>
<p>3. County Voluntary Councils should review their arrangements for publicising their services; with a view to developing links with smaller organisations and providing practical support; for example, in helping to complete application forms. This review should be completed by March 2009.</p>	<p>The County Voluntary Councils provide and regularly promote an accessible and accurate range of locally available support services to enhance the development and effectiveness of voluntary and community action. This includes assisting in the development of locally determined and agreed voluntary sector initiatives. In the 12 months between April 2007 - March 2008 this included:</p> <ul style="list-style-type: none"> <li>○ Assisting organisations to obtain over £27,000,000 of additional funding</li> <li>○ Providing 175,781 information sheets to local organisations</li> <li>○ 2,070 organisations attending local events to raise awareness of practical support available and funding opportunities</li> <li>○ 3,109,525 visitor sessions were made to local CVC interactive website services</li> <li>○ Providing individual support to 4,976 trustees</li> </ul> <p>Through partnership and collaborative working the CVCs are continually looking for ways to improve and enhance their services and their support for local organisations. Together with volunteer centres and WCVA, they are currently working on a joint publicity leaflet to further promote the services available.</p>
<p>4. The Welsh Assembly Government should sponsor four pilot projects in rural and urban areas, possibly using County Voluntary Councils, to provide training and practical support to help smaller organisations become more self-sufficient. The private sector should be encouraged to help; either by providing sponsorship or lending staff with specific skills for short-term secondments. The first two pilot projects should be up and running by March 2009.</p>	<p>The WCVA is currently undertaking similar work via Sustainable Funding Cymru (SFC). This provides practical advice and guidance to organisations that want to develop an entrepreneurial outlook to funding in order to achieve long-term financial sustainability through income diversification. It offers guidance on the various income sources available to the sector and the approaches and skills required to adopt, manage, and maintain these sources. SFC also provides case studies of organisations already working towards sustainability, source of further help, regular news updates on SFC, and details of relevant training and events. This includes a number of rural projects. The <a href="http://www.sustainablefundingcymru.org.uk">www.sustainablefundingcymru.org.uk</a> website will be frequently updated and organisations will have the opportunity to join an e-mailing list to receive a free monthly newsletter.</p> <p>We consider that the outcomes of Sustainable Funding Cymru should be evaluated before any further pilot projects are initiated. This is likely to be in 2009/10.</p>
<p>5. The Welsh Assembly Government should commission the Wales Council for Voluntary Action to develop and maintain a central portal providing information on funding; to include a searchable database of funding streams; including advice on applying for grants and how to become more self-sufficient by identifying</p>	<p>In addition to the Sustainable Funding Cymru website, the WCVA and the CVCs have access to the UK-wide 'Grantfinder' funding database. Officials have discussed this recommendation with the WCVA, and have asked them to develop proposals for a fully inclusive portal.</p>

<p>opportunities to diversify funding. This portal should be web-based and well publicised; with links to local authorities, County Voluntary Councils and private sector organisations. This portal should be operational by March 2009.</p>	
<p>6. The Welsh Assembly Government should review its funding criteria; with the aim of increasing core funding for established projects, whilst recognising the need to encourage innovation. This review should be completed by December 2008.</p>	<p>Officials have discussed this with the Assembly Government Business Development Division who will be undertaking an Assembly-wide scoping study on grant funding. This will include best practice guidance on grants management and will be run by the Corporate Governance Unit.</p> <p>The Assembly Government acknowledges that it should be approving grants which enable the voluntary sector to undertake work which will help meet the WAG's wider strategic objectives set out in One Wales. This includes those which we cannot take forward directly ourselves.</p> <p>The "Political Economy of Funding the Third Sector" will be the main theme for the November meeting of the Third Sector Partnership Council meeting and the issue of project versus core funding will be an important part of this. The TSPC will then make further recommendations on this issue.</p>
<p>7. The Welsh Assembly Government should endorse and support the Community Foundation in Wales as an appropriate vehicle to steward, and maximise the value of, unclaimed assets and dormant and inactive funds from varied sources. The purpose would be for the Foundation to create endowment funds to provide a sustainable long-term, independent source of funding for the third sector; with the added value of the Foundation leveraging in additional private sector funds (businesses, individuals and trusts) to enhance this investment in local community groups, projects and charities across Wales.</p>	<p>The Welsh Assembly Government currently funds the Community Foundation in Wales (CFiW) via its Third Sector Infrastructure Fund. The amounts are £60,000 in 2008/09, £61,500 in 2009/10 and £63,037 in 2010/11. In return, CFiW will:</p> <ul style="list-style-type: none"> <li>• Maintain its total endowed funds at a level which reflects growth;</li> <li>• Increase the number of pass-through schemes under management;</li> <li>• Increase the number of grants made.</li> <li>• double the size of its Endowment from £1 million to £2 million;</li> <li>• increase by £500,000 its Pass-through Funds over the period (on top of its existing target to achieve £1 million of pass-through funds each year).</li> </ul> <p>As part of this CFiW will endeavour to raise its profile amongst all local authorities, with the aim of them transferring their dormant funds to CFiW. A successful pilot project has been run in Newport.</p> <p>The Heritage Minister is currently leading on Welsh involvement in the establishment of a Dormant Accounts Scheme. The Scheme, which has been initiated by HM Treasury, will be UK-wide in its scope and will apply only to funds held within dormant bank and building society accounts. The Scheme is subject to primary legislation; the 'Dormant Bank and Building Society Accounts Bill' is currently progressing through Parliament.</p> <p>The Bill provides Welsh Ministers with the power to set the priority spending areas for Wales and the underpinning policy directions, but the distributor of the funds - the Big Lottery Fund - has been determined by the UK Government. The Big Lottery Fund will be conducting a consultation on the priority spending areas, the policy directions and the distribution mechanisms for Wales over the summer and autumn of 2008.</p>
<p>8. The Welsh Assembly Government should monitor the extent to which three-year funding is becoming the norm, in accordance with the funding</p>	<p>The Third Sector Partnership Council's Funding &amp; Compliance Sub-Committee commissions a yearly compliance exercise, monitoring Assembly departments' adherence to the Code of Practice for Funding the Voluntary (Third) Sector. The issue of 3 year funding is a key element of this. The 2007/8 monitoring exercise will start at the end of June with a report going to the Funding &amp; Compliance Sub-Committee in September and to the TSPC in November 2008.</p>

<p>code of practice; and identify types of projects where longer term funding might be more appropriate. A report on this monitoring exercise should be published by March 2009.</p>	
<p>9. The Welsh Assembly Government should review the various funding streams provided either directly or through its agents, to identify the scope for consolidation; and to assess whether the balance between revenue and capital funding achieves the most efficient use of resources. This review should be completed by March 2009.</p>	<p>The Assembly Government routinely carries out reviews of its grant schemes to ensure clarity, ease of access and value for money. Additionally the Strategic Action Plan requires each Assembly Government Department to work with the third sector to clarify the actions it will take in response to the Strategic Action Plan. Voluntary Sector Unit (VSU) officials are currently liaising with Departmental and Divisional Heads on taking this forward into Departmental Action Plans. VSU are promoting and expecting that the regular review of departmental funding streams will be fundamental to this.</p>
<p>10. The Welsh Assembly Government should commission the Wales Council for Voluntary Action to review the means of providing funding to organisations providing an all-Wales service, to obviate the need for multiple grant applications. This review should be completed by December 2009.</p>	<p>Officials have discussed this with the WCVA and have asked it to undertake this review.</p>
<p>11. The Welsh Assembly Government should review its code of practice on funding, to enable third sector organisations to plan their activities more strategically. This review should be completed by December 2009.</p>	<p>The WCVA has produced a draft revision of the Code which will be discussed at the Third Sector Partnership Council's (TSPC) Funding &amp; Compliance Sub-Committee meeting on 23<sup>rd</sup> June. This includes chapters on procurement and full cost recovery, amongst other changes necessitated by the Strategic Action Plan. Once approved by the Sub-Committee the finalised Code will go out to public consultation.</p>
<p>12. The Welsh Assembly Government should commission the Wales Council for Voluntary Action to carry out a review of existing public sector codes of practice on funding the third sector; to identify and disseminate good practice by March 2009.</p>	<p>The Third Sector Partnership Council's (TSPC) Funding &amp; Compliance Sub-Committee has already started this work - officials are collating information on this issue and a report will be provided for the Sub-Committee's meeting in September 2008.</p>
<p>13. All relevant public sector organisations (including local authorities, local health boards and other statutory funding bodies) should develop and implement codes of practice for funding the third sector (both the allocation of grants and the procurement of services) by December</p>	<p>The Third Sector Partnership Council's (TSPC) Funding &amp; Compliance Sub-Committee has already started this work. It is intended that wider public sector compliance will be incorporated in future annual compliance exercises.</p>

<p>2009. These should ensure that procurement procedures allow the third sector to compete for contracts on a comparable basis to those in the public and private sectors; and should take account of full cost recovery. The Welsh Assembly Government should issue guidance and monitor the implementation of this recommendation.</p>	
<p>14. The Welsh Assembly Government should commission the Wales Council for Voluntary Action to review:</p> <ul style="list-style-type: none"> <li>• All application forms, to ensure that the language is clear and easy to understand, with a minimum use of jargon.</li> <li>• Application procedures, with a view to tailoring the process to the size of grant applied for, and also to reducing bureaucracy by making use of information already supplied. For example, applications to renew a grant should need to include only changes that had occurred since the original application.</li> <li>• All application forms to ensure that they contain information on how applications are to be processed; for example, assessment criteria, time until a decision will be made, and a simple flowchart illustrating the whole application process. It is important that the application process is transparent, with an opportunity for feedback.</li> </ul> <p>These reviews should be completed by March 2009.</p>	<p>Officials have discussed this with the WCVA, and asked it to undertake this review.</p>
<p>15. The Welsh Assembly Government should publish information on the availability and allocation of European Union funding regularly; this should be disseminated via the Welsh European</p>	<p>The WEFO website (<a href="http://www.wefo.wales.gov.uk">www.wefo.wales.gov.uk</a>) includes a new 'Applying for European funding' section (accessible via the WEFO Home page), which guides potential project sponsors through a step-by-step process to apply for funds under the Convergence and Regional Competitiveness programmes 2007-2013. This new website section provides information on project ideas and how to request to submit an 'Expression of Interest', the first stage of the application process.</p>

<p>Funding Office and the web-based information portal. This information should be published quarterly, starting in August 2008.</p>	<p>Information about the projects approved to date (including the grant committed) and the Expressions of Interest submitted, can be found at the following link.</p> <p><a href="http://www.wefo.wales.gov.uk/resource/Projects-approved-and-EOIs-submitted-for-website2600.pdf">http://www.wefo.wales.gov.uk/resource/Projects-approved-and-EOIs-submitted-for-website2600.pdf</a></p> <p>Further improvements to the website will be made in due course, as part of WEFO's ongoing review of website content.</p>
<p>16: The Welsh European Funding Office should establish an advice centre to assist third sector organisations in their applications for European Union funding. This should be established by March 2009.</p>	<p>The WCVA has recently submitted to WEFO a project proposal for Technical assistance support to establish a national specialist support for third sector organisations. The project has been given an "in principle offer" and will receive its formal offer in due course.</p> <p>The objectives of that project are to:-</p> <ol style="list-style-type: none"> <li>1. work in partnership, on the basis of mutually agreed protocols, with the DE&amp;T Regional Planning Teams, SET Outreach Workers, WAG Strategic Framework Co-ordinators and WEFO Project Development Officers (PDOs) to co-ordinate comprehensive support for third sector organisations to successfully develop and implement European Structural Funds projects from 2008-June 2015.</li> <li>2. deliver national specialist support services to third sector participants in the Convergence and Competitiveness programmes 2007-2013, comprising a rolling programme of training, information, advice and support covering project management; risk analysis; quality assurance; tendering and procurement; sustainable funding.</li> </ol> <p>The project aims to:</p> <ul style="list-style-type: none"> <li>• pro-actively target and support national third-sector led projects and ensure appropriate links are made to activity at a local level;</li> <li>• provide project development and aftercare support on request to any national/regional third sector organisation and ensure appropriate links are made to activity at a local level;</li> <li>• provide information, advice and guidance to any third sector organisation involved in Structural Funds project development/delivery (national/regional/local) and sign-post to SET Outreach Workers, as appropriate; and provide advice, guidance and support to any project sponsor wishing to engage third sector organisations in partnership arrangements and/or project delivery.</li> </ul>
<p>17. When the Dormant Accounts Scheme has been established, the Welsh Assembly Government should ensure that Wales receives an appropriate share and that a significant amount is directed towards the third sector.</p>	<p>The Dormant Accounts Scheme has been created by HM Treasury and will be UK-wide in its scope. Under the terms of the 'Dormant Bank and Building Society Accounts Bill' currently before Parliament, the proceeds from dormant bank and building society accounts made available to the scheme will be divided between the home countries in line with the principles of the Barnett Formula.</p> <p>The wording of the legislation says that they scheme should be aimed 'primarily' at the third sector and the Minister for Heritage has endorsed this approach. The Big Lottery Fund (BIG) is fully aware of the views of Welsh Ministers and the expectations placed upon them by HM Treasury.</p> <p>A consultation on the Welsh aspects of the Scheme will be held over summer and autumn 2008. In addition to consulting on the spending priorities for Wales and the underpinning policy directions, the consultation will cover the principles of distribution and the preferred distribution mechanisms. Once the outcomes of that consultation are known, the Assembly Government will take forward the development and direction of the Scheme within Wales.</p>
<p>18. The Welsh Assembly Government</p>	<p>There are currently four Lottery distributors within Wales: the Arts Council of Wales, the Big Lottery Fund, the Heritage</p>

<p>should hold discussions with the BIG Lottery and other National Lottery distributors; with a view to learning from them how to simplify funding procedures and disseminate good practice. These discussions should be held by December 2008.</p>	<p>Lottery Fund and the Sports Council for Wales. All of the distributors have been working on application processes in the last few years with a view to simplifying access. Much of this work was generated by the 'Consultation on National Lottery money for Arts and Film, Heritage and Sport from 2009' held in 2005. BIG have also taken on the role of disseminator of best practice.</p> <p>Some engagement between the lottery distributors and the Welsh Assembly Government in relation to grants and application processes has already taken place. This was part of an earlier Assembly Government-wide review of grants, which was looking to map and rationalise the numerous grants programmed administered by the wider organisation. That review has been widened, and there is now work ongoing in relation to standardising procedures. The review team will be asked to address this recommendation as part of its role.</p>
<p>19: The Welsh Assembly Government should review its staff procedures to maintain accessible channels of communication between relevant departments and the third sector; for example, to ensure that knowledge of contacts and background is shared when relevant officials leave or take up a new post. This applies also to the Wales Council for Voluntary Action, County Voluntary Councils, local authorities and local health boards. This review should be completed by January 2009.</p>	<p>The Minister for Social Justice and Local Government has agreed to establish a regular 'Third Sector Group' meeting to promote more joined-up working between Assembly Government Departments on Third Sector issues. The proposed Group will:</p> <ul style="list-style-type: none"> <li>• coordinate delivery of the '<i>The Third Dimension</i>', the Assembly Government's strategic action plan for the third sector.</li> <li>• monitor Departments' progress in developing and implementing supporting actions to 'The Third Dimension'.</li> <li>• share information on latest developments within the Third Sector and on the Assembly Government's engagement with the sector.</li> <li>• strengthen Departments' awareness of and compliance with the <i>Third Sector Scheme</i> and the <i>Code of Practice for Funding the Third Sector</i>.</li> <li>• facilitate more joined-up working between departments on cross-cutting issues involving the Third Sector.</li> </ul> <p>It will comprise the Minister for Social Justice &amp; Local Government (Chair), Directors of all 'policy' Departments and other senior officials (HoD/HoB) responsible for key work areas affecting the Third Sector.</p> <p>In addition, the Assembly Government's Voluntary Sector Unit (VSU) is developing a training awareness course "Working with the Third Sector". It is planned to roll this out to all Assembly officials who have regular dealings with the sector, from November 2008. A pilot session has been held and VSU is currently reviewing the course content following feedback received.</p>
<p>20. The Welsh Assembly Government should ensure that third sector organisations, including the Wales Council for Voluntary Action, are aware of the Assembly Government's Code of Practice on Complaints.</p>	<p>The Welsh Assembly Government's Code of Practice on Complaints allows for consideration of complaints relating to:</p> <ul style="list-style-type: none"> <li>• maladministration;</li> <li>• service failure;</li> <li>• failure to meet our Welsh Language Scheme; and</li> <li>• failing to provide information requested under the Code of Practice on Public Access to Information</li> </ul> <p>The Code will not consider complaints about a decision which has not involved maladministration, in other words the Code cannot be used to complain about a decision just because the customer does not agree with it.</p> <p>The Code is available on the Assembly Government's website, or a hard copy can be requested from the Assembly Government's Complaints Unit. The Unit operates a public complaints line (029 2080 1378) and an email complaints inbox (complaints@wales.gsi.gov.uk).</p>
<p>21. The Welsh Assembly Government</p>	<p>The Assembly Government's Human Resources Equality and Diversity Team deliver equality training 'hot-shot sessions' for</p>

<p>should hold regular equality training sessions for members of staff responsible for communicating with and supporting third sector organisations.</p>	<p>staff from all departments, but these are generic sessions rather than tailored to meet specialist needs, unless that is requested.</p> <p>All departments are responsible for ensuring that their staff are provided with equalities training which is specific, tailored and relevant to their own service. Divisions will be asked to address this recommendation as part of their work to develop supporting actions to 'The Third Dimension' (action 6a within the Third Dimension's Action Plan).</p>
<p>22. The Welsh Assembly Government should collate statistics on the number of grant applications processed through the medium of Welsh, both by its own staff and external agencies; and ensure that sufficient resources are allocated to meet anticipated future demand; including staff recruitment and training. This review should be completed to allow sufficient funding to be allocated in the next National Assembly budget round.</p>	<p>As detailed earlier the Assembly Government's Voluntary Sector Unit (VSU) is developing a training awareness course "Working with the Third Sector" and will incorporate awareness of this recommendation into the programme. It will then be incumbent on the relevant Assembly Government departments to incorporate into their Departmental Action Plans.</p> <p>Each Assembly Government has a departmental Welsh Language Action Plan, and departments will be requested to incorporate the requirements of this recommendation into these Plans.</p>
<p>23. The Welsh Assembly Government should review monitoring and evaluation procedures; with the objective of making them more appropriate to the size of grant and more focused on measuring outcomes rather than activity. The review should be completed and revised guidance issued by December 2009.</p>	<p>Currently individual Assembly Government departments have responsibility for ensuring their grants deliver value for money which includes undertaking research and monitoring to help evaluate the performance and effectiveness of grant funding. The Assembly Government acknowledges the need to focus such work on measuring outcomes as well as activities.</p> <p>It is suggested that the Office of the Chief Social Research Officer (OCSRO) should be commissioned to undertake a review of how grants are monitored and evaluated and to make recommendations for improvements. This would fit alongside OSCRO's remit to deliver a programme of cross-cutting research.</p> <p>It is recognised that there is a need to look at how evaluation of voluntary sector grants link together, not only within the Assembly Government but between WAG and other funders, especially in terms of reducing burden on the sector but also to improve efficiency and quality of methods and capacity for professional support and guidance.</p>
<p>24. The Welsh Assembly Government, local authorities and other funding bodies should include 'gender budgeting' as a specific issue in their codes of practice and in their monitoring procedures. This should be achieved by March 2009.</p>	<p>The Assembly Government Finance function is currently going through a change programme regarding the way that financial systems and budgets are set, monitored and managed. This is a far reaching project which aims to enable continuous improvement in the way the finance function operates across all departments and supports policy delivery.</p> <p>The design specification includes the facility to report on cross-cutting policy initiatives, including both gender budgeting and children's budgeting. However, it needs to be recognised that developments such as gender budgeting need to be built in at the policy development stage and potentially brought out as part of the annual Resource Allocation Exercise (RAE) process. The next phase of the change programme will deal with budget setting and the identification of outputs and outcomes, and gender budgeting could be just one more feature of this development. FP believes that the earliest date for progressing this would be 2010.</p>
<p>25. The Welsh Assembly Government should review the marketing and</p>	<p>One of the actions in the Strategic Action Plan is the design and roll-out of a media campaign to promote volunteering and quality volunteering opportunities. It is proposed that part of the campaign will include a third sector brand mark which</p>

branding of third sector funding; and produce a strategy to raise public awareness of the source, allocation and outcomes of such funding. This strategy should be produced by January 2010.

will be used to demonstrate the Assembly Governments support for the sector. The sector will be actively involved in the design and delivery of the proposed media campaign

The Assembly Government will review the ways in which existing sources of information, such as the Guide to Assembly Government Voluntary Sector Grants, and the Annual Report on the Voluntary (Third) Sector Scheme can be made more user-friendly to the general public, and promoted more widely.

The Guide to Assembly Government Voluntary Sector Grants is available in hard copy and online. The third sector pages on the Assembly Government's website already include links to the websites of other potential funders and officials will explore ways of publicising these sources of information more widely, and of making them more accessible.