

Co-designing a new third sector funding scheme in Argyll and Bute

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Organisation: Argyll and Bute Council

Country: United Kingdom

Level of government: Local government

Sector: Social protection

Type: Financial Resources, Partnerships, Public Service

Launched in: 2010

Overall development time: 1 year(s)

Link to the innovation's website

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Description

Early in 2012, the Children and Families Service Department took the decision to co-design a new funding scheme together with third sector organisations in the local area, rather than just asking the views of service providers when the new funding scheme had been determined by the Council. Even though this dialogue took place in a context of cuts, it was framed in a positive way – not “How should we make the cuts?” but rather, “How can we make the funding scheme better?”

Why the innovation was developed

- In 2011, the Children and Families Service Department of Argyll and Bute Council was tasked with ensuring savings of 15% of its budget (GBP 1.86 million of its GBP 12.4 million budget) over the next three years.
 - The Council provided over GBP 650 000 in funding to third sector organisations in 2010-2011. In this uncertain climate, the Council was keen on turning a crisis into an opportunity to change the way it works with its third sector partners.
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Objectives

Develop staff capacity, Enhance transparency, Improve efficiency, Improve service quality

- To address issues found in a review, Argyll and Bute Council aimed to develop a new funding process which would be more appropriate for an era of collaborative working.
 - The Council prided itself on its commitment to listening actively to its community and enabling them to influence decisions. Consequently, it committed to co-designing the new approach with third sector organisations in the local area.
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Main beneficiaries

Families, Government bodies, Government staff, Young people

- Children
 - Families
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Results

Effectiveness

- The new funding process has minimised supporting documentation and leaves discretion to third sector organisations about the amount of information they wish to provide – with the principle of proportionality being applied.
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Service quality

Responsiveness:

- In the subsequent discussion, participants made it clear that they were highly satisfied with the consultation process, particularly its transparency, and felt that their insights had been taken on board throughout the consultation.
 - The main problem had been the crowded time scale due to the thorough consultation process during this first year. They accepted that, now that this process was in place, the timetable would probably be much more comfortable in future years.
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User satisfaction

- The consultation has also resulted in application forms becoming more user-friendly. Indeed, learning from the consultation around this project has resulted in new forms being adopted for all grants throughout other Council services.

Development

Design

A systematic review of the services of the Children and Families Service Department was undertaken internally, which showed the need to change the funding scheme for third sector organisations.

This service review highlighted several problems in relation to the existing funding scheme: The application process had multiple mechanisms and budget streams, making it confusing and inefficient. The processes required were described by one organisation as a “jigsaw of different funders which don’t always fit well together.”

Activity was often emphasized at the expense of outcomes. Funding priorities were not systematically reviewed to ensure alignment to changing priorities. Funding was generally allocated on an annual basis, which tended to work against innovative initiatives, which the Council was keen to encourage.

Implementation

Tools used:

- Beginning in May 2011, the department held four events as part of a collaborative process between the Council as commissioner and the third sector organisations as service providers to discuss 1.) How the Council and providers could work more collaboratively in the future; and 2.) How a new grant allocation system could be jointly developed that was appropriate for this new context.
- Participants mapped the existing funding processes, the problems they often encountered, and their priorities for improvement. Participants also discussed the steps that local organisations could take to respond to the reduction of funding, and how they could work more collaboratively between themselves and with the Council.
- Participants suggested the criteria they believed the Council should use when making funding decisions. These criteria included: the match between the organisation’s activities and the Council’s service priorities; the outcomes targeted and the organisation’s capacity to deliver these; adherence to the principles of GIRFEC/Early Years Framework; financial viability; quality of service delivered; impact achieved.
- The consultation day made it clear that the new funding system should include: a more streamlined and efficient grant system; funding being more closely aligned to service priorities; greater focus on outcomes; no limit to the funding requested; support to groups so that they could better consider what they wanted to provide and how that would meet service priorities; stronger personalisation of Children and Family Services.
- To further improve the funding process three more workshops were held between the Council and local third sector organisations, undertaking work to implement the decisions taken. These workshops focused on redesigning the grant process, agreeing a suitable time line, considering assessment criteria, redesigning the application form and agreeing the supporting documentation which would be required.

Resources used:

- This initiative was designed to improve the impact and effectiveness of reducing funding as opposed to delivering direct savings. Increasing focus on outcomes and on alignment to Council service priorities ensures funding decisions are more effectively focused on reducing resources in delivering strategic priorities.
- Streamlining the grant application process, redesigning the application and reducing requirements for supporting documentation have delivered savings for both the Council and provider organisations.

Lessons Learned

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- Co-designing a new funding scheme delivered a significantly better result for both the Council and third sector organisations than would have been achieved by a traditional consultation exercise. Who would know better than those applying for funds what an easy-to-use funding scheme should look like?
 - The co-design process surfaced the ideas and suggestions of all third sector organisations on key principles that should inform their grant funding. These principles have now been incorporated into other funding schemes of the Council.
 - Third sector organisations also responded very positively to the full, frank and open presentation of issues from the Council and to the Council's demonstrable commitment to working together. Clearly, a co-design process meant compromises and negotiations, as not all suggestions made by third sector organisations could be taken on board.
 - The exercise enabled the Council to reaffirm its commitment to grant funding and to clarify the relationship between grant funded and commissioned services.
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Other information

*The program described in this innovation case study has been discontinued and is no longer in operation.

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