

# **EAST AYRSHIRE COUNCIL**

**SOCIAL WORK COMMITTEE : 9 SEPTEMBER 2004**

## **REVIEW OF SECTION 10 FUNDING ARRANGEMENTS**

### **Report by the Executive Director of Educational and Social Services**

#### **1. PURPOSE OF REPORT**

- 1.1 To advise members of the outcome of the Review of Section 10 Funding Arrangements.

#### **2. BACKGROUND**

- 2.1 Section 10 of the Social Work (Scotland) Act 1968 as amended allows local authorities to make a financial contribution by way of a grant or loan to any voluntary organisation whose purpose is the promotion of Social Welfare.
- 2.2 The existence of Section 10 funding arrangements results in a number of unsolicited applications for funding each year which require to be assessed in accord with agreed criteria. This includes organisations which apply for funding to provide a 'social welfare' service or function across the whole of East Ayrshire. Given the diverse range of applications, this is neither an effective use of officer time nor a cost effective means of providing financial support to voluntary organisations.
- 2.3 Social Work Committee of 20 May 2004 agreed that a review of Section 10 funding arrangements be undertaken with a view to discontinuing existing arrangements and devising revised eligibility criteria for the continued financial support to relevant voluntary organisations.

#### **3. THE REVIEW**

- 3.1 The Review was conducted by officers in accord with the principles set out in the Council's Guide to Carrying out a Best Value Review and constitutes a part of the Department of Educational & Social Services Best Value Review Programme.
- 3.2 Given that the Section 10 budget constitutes a part of the overall Social Work budget, consultation has been restricted to Departmental stakeholders and the Department of Corporate Resources which administers the Council's Community Grant process.
- 3.3 Information has been sought from other local authorities to identify alternative approaches.
- 3.4 A copy of the review report is available at the Members' Information Point.

3.5 Options for the future are identified and detailed in the report which recommends the adoption of Option 2:

***End the current section 10 funding arrangement and introduce eligibility criteria for provision of financial support to voluntary organisations.***

3.6 This option is recommended as it removes the requirement to respond to unsolicited grant applications but allows the Department continued flexibility to make payments to voluntary organisations in appropriate circumstances.

3.7 If option 2. is adopted the process of review identified the following as being appropriate eligibility criteria for the provision of financial support to voluntary organisations:

- (i) The organisation is 'voluntary'.
- (ii) The work of the organisation directly supports or complements the statutory functions of the Social Work service through clearly stated and measurable objectives.
- (iii) The activity of the organisation supports the Council in the implementation of local and national policy initiatives e.g. involvement of service user and carer organisations in consultation and planning activity.
- (iv) The amount or nature of the organisation activity is not sufficient to warrant the development of a full service level agreement or contract.
- (v) The organisation operates within and/or provides a service to residents of all of East Ayrshire.

#### **4. FINANCIAL IMPLICATIONS**

4.1 Grant awards to the value of £18,017 were made in 2003/04. Details are set out in the report .

4.2 Potential exists for savings to be made in comparison to the previous financial year by not awarding grants to organisations which do not meet the criteria.

#### **5. LEGAL IMPLICATIONS**

5.1 The award of Section 10 grant is not a statutory obligation upon the Council (a power not a duty) and therefore there are no legal implications.

#### **6. POLICY IMPLICATIONS**

6.1 The provision of any grant assistance to voluntary organisations requires to be made in terms of the Council's Accounting Policy Bulletin 27 which sets out safeguards for following the public pound.

6.2 The Department's Commissioning, Contracting and Contract Monitoring Framework will require to be updated to reflect the revised arrangements.

## **7. CONCLUSIONS**

7.1 The criteria detailed in Section 3.6 would allow for the continued funding of voluntary organisations where appropriate and in circumstances where it would not be appropriate to enter into a formal contractual arrangement.

## **8. RECOMMENDATIONS**

8.1 Members of the Social Work Committee are invited to:

- (i) approve the ending of existing Section 10 grant arrangements;
- (ii) approve the adoption of the proposed set of criteria which allow for the continued support to voluntary organisations where appropriate;
- (iii) authorise officers of the Council to support organisations to identify alternative sources of funding where appropriate; and
- (iv) otherwise note the contents of the report.

**John Mulgrew**  
**Executive Director Educational & Social Services**  
**24 August 2004**  
**Enc (0)**

### **LIST OF BACKGROUND PAPERS**

1. Review of Section 10 Grants Processes and Procedures

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