

General Comments

- The general drive of the new MSG funding, with the exception of the Community Engagement Theme, appears to be towards funding fewer organisations/consortia with larger grants. Whilst we broadly welcome this more strategic approach to local funding, we note that this will leave many smaller volunteer involving organisations ineligible for MSG funding. It is vitally important that LBTH launches the new Community Fund now, providing grants of up to £10k simultaneously. This will enable smaller organisations to direct their project applications appropriately and secure funding for small-scale projects that benefit Tower Hamlets residents, rather than waste organisational time and resources on submitting MSG applications that are later rejected.
- Very little of the feedback from the Consultation Event on 12 March or from individual written submissions seems to have been incorporated into the revised proposals. Whilst we would not expect all of the voluntary sector's recommendations to have been taken on board, it is unclear why most of it was disregarded. Officers make reference to having included "pertinent" comments, but very many valid contributions and common concerns have been ignored without explanation.

Application Process

- It remains unclear whether an organisation may apply more than once in the same stream. It is also unclear whether an organisation can submit multiple applications to several streams. This needs to be made unambiguously clear ahead of the launch of the programme.
- It is unclear whether there is any financial cap on the funding amount that any individual organisation or consortium will be awarded. If there will be a cap, then it would be helpful if this could be clarified ahead of 27 April.
- How was the application "pass mark" of 46 points arrived at?
- It would be helpful for LBTH to define the appeals criteria and process in advance of applications (in addition to the timetable already published), so that applicants are clear from the outset about any recourse they may have.

Concerns about cuts to the Third Sector Organisational Development Theme

- **Disproportionate cuts to funding for infrastructure**

This stream appears to largely replace what was previously titled "*Third Sector Infrastructure Support*". In the 2013-2015 round of MSG, 6 infrastructure projects were funded, including Volunteer Centre Tower Hamlets. The total value for the 6 projects over 27 months was £214,000 - £95,111 per annum. In addition to this, Tower Hamlets CVS received £200k per annum as a top slice. This meant a total of £295,111 per annum was allocated to infrastructure activities. The current proposals will slash this funding to just £160,000 per annum. So while the overall MSG funding pot is not cut, there is a hugely disproportionate cut in funding of 46% to infrastructure projects. We are extremely concerned by this proposed reduction in funding to infrastructure at a time when the need for advice, support, training and

volunteering brokerage is greater than ever. Although the papers acknowledge a cut to infrastructure funding, they do not illustrate how vast this is (46%) and it is glossed over with a comment that; *“it is not thought that this will adversely affect the sector at this time – given the new approach and focus on outcomes”*. How has this conclusion been reached? Surely almost halving funding for infrastructure must have a significant negative impact. We ask that the proposed funding for infrastructure be urgently reconsidered.

- **Top slicing for universal infrastructure organisations**

At present, Tower Hamlets CVS is the only organisation to receive funding for infrastructure support outside of the main MSG stream, and they currently receive £200k per annum. Despite questions raised by the voluntary sector, it remains unclear at this time whether this top slice arrangement will continue and, if so, at what financial level. There needs to be clarity on this, and the justification for it, before MSG applications are invited in late April.

As a universal infrastructure provider, we believe that the Volunteer Centre merits equal consideration as the CVS for top-sliced funding, and that failure to fund VCTH under the same methodology as the CVS could be seen as unfair and open to challenge. We would therefore urge LBTH to either top slice funding for VCTH in the same way as THCVS, or to fund both infrastructure organisations via MSG, or to use another open and fair process to commission infrastructure services.

- **Volunteering Brokerage missing**

VCTH welcomes the inclusion of training and 1:1 advice for organisations to effectively manage volunteers in Priority 1, as it is vital that VCS organisations manage existing volunteers well, giving them a positive volunteering experience and enabling them to provide high quality services to Tower Hamlets residents. Many of the projects that will be funded by other MSG themes will rely on the involvement of volunteers. It is therefore critical that the Third Sector Organisational Development theme also includes the brokerage of new volunteers to replenish and diversify volunteer cohorts within third sector organisations. Failure to do this will result in supplies of volunteers drying up, putting at risk services delivered to residents by volunteers. It may also result in organisations only recruiting volunteers from particular communities, reducing access to volunteering, and potentially having a negative impact on community cohesion. Why has volunteering brokerage been ignored?

- **Target Outcomes**

We welcome the inclusion of Volunteer Recruitment and Training Strategies in the outcomes. However, this is rather restrictive and could be widened to include organisations having a comprehensive Volunteer Policy. This would include recruitment and training but also cover issues such as equalities, support and supervision, retention, expenses, resolving problems with volunteers, etc. It may also be helpful to include increased diversification of volunteer forces as a target outcome, encouraging organisations to involve volunteers with additional support needs in their work.

Guiding Principles and Governance Arrangements

- This paper proposes that a new Grants Executive Board is established to make funding and time-critical decisions. The composition of this Board is unclear. Will it be elected Councillors? Paid officers? DCLG appointed commissioners? Or a combination of these groups?

Feedback to Commissioners on MSG proposals from Volunteer Centre Tower Hamlets, 21 April 2015

- There is no reference to continuing the best practice principle of funding organisations quarterly in advance. There have been rumours that, in future, MSG may be funded in arrears. Most local third sector organisations have very limited reserves and cannot afford to cashflow projects. Of the 327 MSG projects funded in 2012-2015, only 5% (18 projects) were rated red for serious underperformance. 86% of MSG-funded projects were rated green and were delivered entirely satisfactorily. A further 9% (29 projects) were rated amber, so largely delivered. Any risk to MSG funds given quarterly in advance is already proven to be minimal. Please continue the principle of funding the third sector in advance.