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THE CITY OF EDINBURGH COUNCIL

Grants to Third Parties: Performance and Outcomes 2008/09

City of Edinburgh Council

11 March 2010

1 Purpose of report

1.1 This report provides information on the performance and outcomes of third party organisations receiving grant aid from the Council. It presents high level statistics for voluntary sector activity and updates members on the implementation of the quality assurance framework.

2 Summary

2.1 Council annual grant expenditure was approximately £21.1m in 2008-09. High levels of achievement against targets set in funding agreements have been maintained, with 2008/09 performance at 95%.

2.2 Volunteer hours continue to add about 18% to the resources from paid staff. Financially, the leverage of other funds achieved by the grant aided projects was over £9 for each £1 of Council grant. The overall volume of service was 11.4 million service episodes delivered to around 7.4 million people, with cultural venues and events providing the largest proportion.

2.3 The report shows encouraging progress made in introducing the Quality Assurance Framework to organisations receiving revenue grant funding. In the first year this achieved the same completion level as the previous system, while recording a much wider range of information on organisational effectiveness.

3 Main report

New Performance and Quality Assurance Arrangements

3.1 Last year, following joint development work through the Compact, the Council agreed the introduction of a Quality Assurance Framework for organisations receiving revenue grant funding. With this framework organisations can assess themselves on a range of management and organisational criteria which were developed with representatives of the voluntary sector. The self-assessment requires organisations to describe their strengths, areas for development and outcomes. Organisations can use the evidence in each area to score themselves from one to six, with six implying excellent performance.

3.2 With the introduction of the quality assurance information in the framework, it has also been possible to simplify the performance information previously collected from revenue grant recipients substantially. Eight performance measures are now required. To avoid over-burdening small organisations, only organisations receiving more than £10,000 p.a. are asked to provide the broad performance measures and data for the quality assurance system.

3.3 Both the quality assurance and performance information was collected by organisations directly entering the data through the internet, using the Council's Covalent performance management system. The quality assurance information was then reviewed by the officers involved with the organisations, while the performance indicator data was audited by Corporate Services.

Performance results in 2008/9

3.4 As in previous years, the performance data cover Council grants and total income, levels of staff and volunteer activity, performance against targets and objectives set in the funding agreements, and the volume of services provided. Table 1 below summarises the key measures of activity and performance.

Table 1: Analysis of Council third party performance measures 2004-2009

	2004-5	2005-6	2006-7	2007-8	2008-9
Achievement of funding agreement targets (%)	94	92	95	96.6	95.2
Income obtained for every £1 of CEC revenue grant *	£9.78	£12.21	£10.37	£10.61	£9.02
Ratio of Staff time / volunteer time	1hr: 20mins	1hr: 12mins	1hr: 12mins	1hr: 10mins	1hr: 11mins
Organisations' total income **				£118.6M	£142.9M
Total service episodes				11.9M	11.4M

* excludes data for Edinburgh Leisure, which received almost £8M from the Council and reported a total income of £24.5M
** information on other funding is sometimes incomplete or estimated.

3.5 A total of 154 organisations were required to provide performance indicators. 149 organisations (97.5%) completed the quality assessments, and only one was not able to provide indicator data. It is a noticeable achievement that the new system had a similar completion level to the previous long established Self Monitoring Annual Reports (SMARs) which had 97% completion against a target of 90%.

3.6 The benchmark for achievement of targets in the grant agreements is 85%, and this has once again been exceeded, with over 95% or more of grant recipients' performance targets being met across the whole grant programme.

3.7 The income obtained for every £1 of Council grant aid shows a slight reduction since 2007/08. The reasons for this are not wholly clear, and will be further investigated. A detailed analysis of these data reveals that six organisations account for over 46% of all income, and 27 organisations account for almost

78% of income. It can therefore be concluded that the overall figure varies significantly if the circumstances change for a small number of the organisations with high levels of additional funding.

3.8   Over 769,000 volunteer hours were reported, compared to a total of more than 4 million staff hours. The relative balance of paid staff and voluntary contribution appears relatively stable against 2007/08.

3.9   The volume of service indicators show around 11.4 million service episodes delivered to around 7.4 million people. As noted in previous years, sports and cultural agencies have high numbers of users, and ten organisations account for 88% of the users who receive a service. Similarly, 13 organisations provide 87% of the service episodes. (These indicators are not comparable with previous years, as changes were made because of concerns about variable interpretation of the returns.) Appendix 1 lists the organisations that receive the most income and deliver the greatest volume of service, as well as illustrating how service volumes and incomes are concentrated in a small number of organisations.

Quality Assurance Assessments

3.10   Organisations were invited to score their performance on a scale of 1 to 6, with six indicating excellent performance. Scoring performance in this way was optional for the first year of the new system. Although not all organisations participated in this exercise, scores were recorded against almost 80% of questions and sections. The average scores recorded for all questions and sections were between four and five, corresponding to good performance or better.

3.11   In general, strengths were perceived in service delivery, networking and partnership and financial control and management. Conversely, resource and information management, planning and equalities were more likely to be considered areas for improvement. A summary of the questions and average scores recorded are shown in Appendix 2.

3.12   It is possible that some organisations have been more self critical than others. To moderate this, officers involved with the organisations reviewed the scores to ensure consistency. These officers reported that:

   - in general the scores were a reasonable reflection of the evidence presented;
   - a small number of organisation were unduly optimistic about their scoring, given the evidence they presented; and
   - a higher number of organisations were encouraged to revise their scores upward in light of the evidence they presented.

3.13   Scores assessed as unsubstantiated by the evidence presented trigger a dialogue between link officers and the organisations concerned, and this will improve the quality and accuracy of the reporting in due course.

4   **Financial Implications**

4.1   There are no direct financial implications arising from this report.

5   Environmental Implications

5.1   The introduction of an electronic monitoring system has reduced the use of paper and other consumables, with positive environmental and sustainability outcomes.

6   Recommendations

6.1   It is recommended that the Council:

a)   notes the successful operation of a wide range of services through 3rd party grants in 2008/09, with strong leverage of resources into the city and high achievement against funding objectives;

b)   notes the successful introduction of the Quality Assurance Framework, coupled with the implementation of an electronic system for performance management and quality assurance; and

c)   recognises the benefits that the implementation of the framework will bring in working in partnership with organisations to deliver shared objectives.

Jim Inch
Director of Corporate Services

| Appendices | 1 Quality Assurance Framework and scores |
| | 2 Income and service delivery |

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Wards affected   All

Single Outcome
Agreement

Background
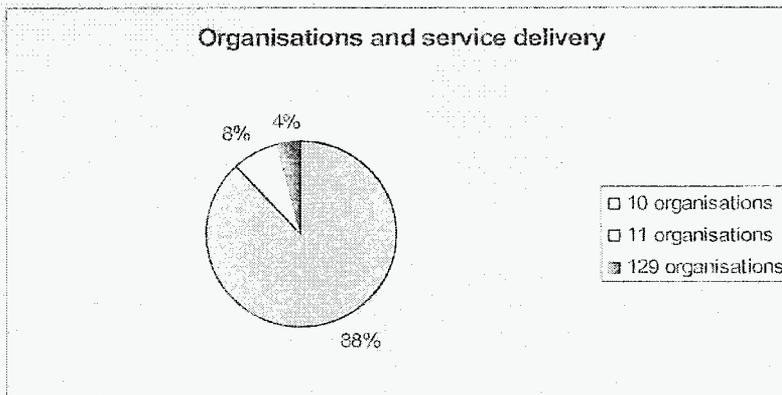Papers

Organisations and income

Edinburgh Leisure
The Royal Zoological Society of Scotland
Edinburgh International Festival
Festival City Theatres Trust
Royal Scottish National Orchestra
Action Group
Total   **£66.1M**

Organisations and income

13%

46%

31%

□ Six organisations
□ Twenty organisations
■ 126 organisations
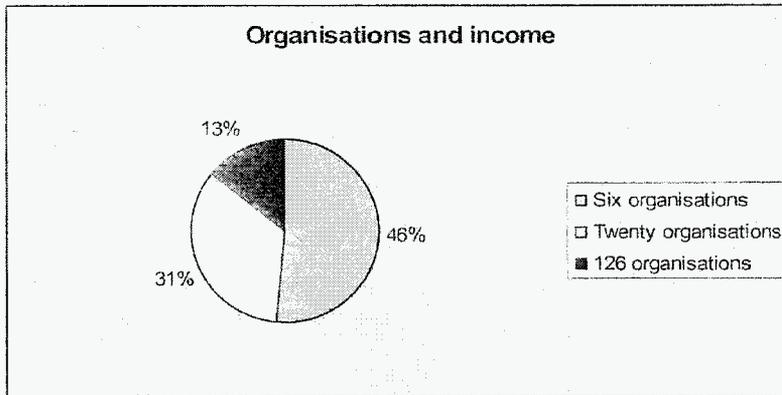
Organisations' service delivery

Edinburgh Leisure	4,156,118
Edinburgh Art Festival	688,373
Edinburgh UNESCO City of Literature Trust	572,768
Festival City Theatres Trust	411,114
Edinburgh International Festival	269,904
Edinburgh World Heritage	148,757
Edinburgh International Science Festival	124,142
Filmhouse Cinema	119,450
Lyceum Theatre	106,864
Cavalcade	103,000

Organisations and service delivery

8% 4%

88%

□ 10 organisations
□ 11 organisations
■ 129 organisations

Note that data were not received from a few organisations for these indicators and the total therefore varies.

Quality Assurance Framework and scores

Quality Assurance Model	Average score (Scale 1 to 6)
SE1 Service delivery	4.61
Are the organisation's delivery methods appropriate and responsive to the needs of service users?	4.71
Does the organisation achieve its planned results?	4.62
Does the organisation provide value for money for service users and other stakeholders?	4.87
SE2 Planning for quality	4.44
Does the organisation clearly define its long term purpose, plan for medium and short term and set clear priorities and targets for activities?	4.46
Does the organisation review progress systematically and appropriately, collecting and analysing information about activities?	4.38
SE3 Effective management	4.55
Is the overall management of the organisation appropriate to the organisation's needs?	4.64
Does the organisation have robust systems of financial control and monitoring, manage its funds effectively and have systems to attract funding to support its work?	4.78
Is the resource and information management of the organisation fit for purpose?	4.39
SE4 Human resources	4.56
Does the organisation have policies and procedures in place that comply with legislation and good practice?	4.70
Are the structure, levels and types of staff appropriate for the organisation's activities?	4.50
SE5 Networking and partnership	4.58
Does the organisation promote and engage in information sharing, joint working and complementary service provision?	4.77
SE6 Equalities	4.48
How does the organisation ensure that excluded groups, communities and individuals are included?	4.47
How effectively does the organisation address barriers to access and participation and foster positive attitudes to social and cultural diversity?	4.45