

Briefing note to the Third Sector Partnership

1. Purpose

- 1.1. This report provides an overview of the scale and nature of the Council's payments to and business in over 2020 - 2022 with the Third Sector (also known as the voluntary, community and social enterprise sector).
- 1.2. It also confirms the Council's intentions to publish details of grant payments to organisations within the Sector as part of the transparency agenda.

2. Background information and the scale of business with the Third Sector.

- 2.1. In categorising organisations as belonging to the Third Sector, the Council continues to be guided by a wide-ranging, inclusive definition drafted a few years ago by the former Office of the Third Sector (now the Office for Civil Society). This indicates that the Third Sector includes charities, community groups, churches and faith groups, sports and recreational clubs, social enterprises and partnerships and trade unions and associations.
- 2.2. The Council's payments to the Third Sector involves tens of thousands of transactions including grant payments, funding for projects, activities and events, procurement of goods and services and the commissioning of services. They include spending from both revenue and capital budgets. The transactions are taken from FMS (the council's financial ledger). Third Sector payments are 'flagged' with a 310 reference to make them identifiable within FMS.
- 2.3. However, it should be noted, as in previous years, that given the volume of data, the total costs and transactions identified as 'Third Sector' may not be fully reflective of all payments made to Third Sector Organisations; some payments may be paid through different categorisations within the financial ledger. This has been found to be the case when undertaking this analysis and it may be that data cleansing work is needed to be undertaken.
In addition, it may be that some payments and / or organisations should not be included as they have been flagged as Third Sector in error.
- 2.4. As reported in previous years, the analysis includes Aspire, and you are asked to note that payments to Aspire are larger than any other 3rd sector organisation at circa £25m.
Overall Leeds City Council's total spend with suppliers with a '310 flag' totalled £132.1m in 2020/21 and £136.1 in 2021/22.

The total spend with organisations other than Aspire amounted to £107m and £110.4m.

Overall, spending with the third sector is comparable year on year and this is outlined in Appendix A for each year (attached).

- 2.5. Appendix A summarises the total business with the Sector over the years.

It should be noted that the scale and stability of the Council's business with the sector has been broadly maintained in a period of very challenging financial circumstances for the Council.

The most recent analysis (2021/22) data does indicate a reduction in the total number of organisations being paid since reporting started.

Year	Number of organisations
2021/22	1,158
2020/21	948
2019/20	1,264
2018/19	1,309
2017/18	1,392
2016/17	1,664

- 2.7. It is acknowledged that several payments to individual organisations reflect investment where the recipient body administers funds to other groups.

In addition there are a number of individual payments to the lead organisation for a consortium or sub- contracting arrangement, where the partners may not receive any individual payments from the Council and are not therefore currently identified as beneficiaries of investments as part of this analysis. Appendix B, for both years, outlines the top 25 organisations receiving monies from the Council.

It has been noted that one major consortium organisation is not featured within the analysis as it was not flagged at '310' and this has impacted upon the analysis.

The data has not been amended to include it because I do not know if it is accurate to do so.

- | As outlined above at 2.3 this highlights the potential need for a review of organisations and their possible re-categorisation. However, this is a large undertaking and resources currently cannot facilitate this.

3. The Council's Major Third Sector Business Partners

- 3.1. Appendix B lists the 25 organisations receiving the most investment from the Council over the last two years.

The list sets out some details of the amounts these same organisations were paid in previous years to allow for comparability. However, it is also noted that when

suppliers/organisations are set up they may not be 'flagged' appropriately, thus featuring in the 'Top 25; or being omitted from it. Whilst this is acknowledged it also reiterates the points made above regarding data accuracy.

The totality of business with the Top 25 in 2021/22 amounted to £85.3m. Leaving Aspire aside, the other 24 were paid a total of £59.5m. The level of business within the same criteria in the previous year totalled £58.9m.

The top 5 organisations remain unchanged year on year.

4. The Range of Third Sector Providers

- 4.1. Appendix C shows the Council's business with the Third Sector continues to be dominated by payments to a small number of major care and service providers. In comparison, there is a wide population of organisations receiving relatively small amounts from the Council.
- 4.2. As previously discussed, Aspire is an out-rider in terms of the scale of business with the Council. With only a handful of organisations received total payments between £2m and £9m in both years; thus, following a similar course to previous years.
- 4.3. Analysis on the Faith Sector has not been undertaken, this is because it was acknowledged in 2019/20 that further analysis was required to ensure that organisations are accurately classified and that other faith organisations have not been overlooked. Due to other work pressures this has not been undertaken.

5. Spending By Directorates

- 5.1. Appendix D analyses spend with the Third Sector in terms of the Council Directorates incurring the expenditure. Not surprisingly, this shows that the overall spend is primarily driven by the Council's care services: Adults and Health along with Children and Families and Social Services Pooled Budgets.

Analysis is impacted upon due to the realignment that is ongoing within the Financial Management System; this is reflected in the 2021/22 analysis. However, overall spending looks consistent with the previous years.

6. Publishing Grants to Third Sector Bodies

- 7.1. The Local Government Transparency Code 2014 stipulates that local authorities should publish details of all grants/payments to Third Sector organisations either in the form of a separate schedule or by tagging grant payments in the published schedules of all financial payments.
- 7.2. Third Sector Payments are reported as part of the Councils regular posting of all payment transactions on the Data Mill North; this report represents a brief overview of these transactions.

8. The future

- 8.1. The current financial climate for local government continues to present significant risks to the Council's priorities and ambitions, this is outlined in further detail in the Medium-Term Financial Strategy (MTFS).

This is one of the key strategies of the Council and is a five-year strategy which sets out the Council's commitment to provide services that meet the needs of people locally and that represent good value for money.

- 8.2 The Medium-Term Financial Strategy 2023/24 – 2027/28 is available and Third Sector partners are asked to take note of this document, so they are aware of the Council's financial position.

APPENDIX A**Distribution Analysis of 2020/21 Third Sector Business****Leeds City Council Total Business With the Third Sector.**

	<u>Total</u> <u>Payments</u>	<u>Movement</u> <u>from</u> <u>Previous</u> <u>Year</u>	<u>Movement</u> <u>as a %</u>
	£M	£M	
2020/21	132.1	1.6	1.21%
2019/20	130.5	3.3	2.53%
2018/19	127.2	2.1	1.65%
2017/18	125.1	-7.8	-6.24%
2016/17	132.9	5.8	4.36%
2015/16	127.1	15.1	11.9%
2014/15	112.0	2.8	2.5%
2013/14	109.2	0.6	0.5%
2012/13	108.6	-0.8	-0.7%
2011/12	109.4	-10.5	-9.6%
2010/11	119.9	-3.5	-2.9%
2009/10	123.4	-	-

Note

Payment data analysed above is based on payments made through the creditors system with a 310 marker. Further data cleansing relating to 310 marked organisations may be needed to be undertaken by BSC .

In 2015/16 Aspire was formed; hence the increase in total payments. To provide comparable data, Aspire would need to be discounted from payment totals: Aspire has received the following payments:

2015/16	£109.3m
2016/17	£110.4m
2017/18	£103.1m
2018/19	£105.75m
2019/20	£106.3m
2020/21	£25.1m

APPENDIX B

Distribution Analysis of 2020/21 Third Sector Business

	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
1 Aspire Services (Leeds) Limited	25,147,618.08	24,192,554.16	21,503,794.70	22,083,097.17	22,504,099.49	17,843,583.03
2 Humankind	8,826,474.96	8,947,475.26	8,776,155.45	8,735,442.33	9,174,151.34	8,110,566.84
3 St Annes Residential Care	7,045,161.31	-	-	1,729,510.01	-	-
4 St Annes Community Services	5,521,494.50	10,706,610.71	11,321,305.12	5,770,632.96	-	-
5 Home Farm Trust Ltd	4,036,985.51	4,179,868.44	3,449,521.75	3,030,237.17	3,161,744.00	2,679,609.01
6 Touchstone - Leeds	2,844,579.03	2,972,441.48	1,915,283.00	1,785,585.28	1,666,432.32	1,712,243.29
7 Be Caring Ltd	2,821,125.25	2,146,338.64	468,486.65	-	-	-
8 Care & Repair Leeds	2,573,070.96	3,830,222.53	2,300,631.45	2,133,996.18	1,495,482.30	1,218,012.04
9 Real Life Options	2,502,227.55	2,298,463.93	1,883,161.10	2,018,704.13	1,656,040.74	2,600,110.37
10 Leeds Autism Services	2,113,493.32	1,629,645.81	1,944,271.01	1,961,233.43	2,002,498.10	1,786,616.83
11 Affinity Trust North Divisional Office	1,982,885.54	2,515,449.10	2,476,017.04	2,769,353.06	2,400,316.02	2,816,657.23
12 Carers Leeds	1,591,244.00	1,479,440.62	1,266,267.60	1,154,558.00	1,126,498.70	1,107,680.00
13 Leeds Citizens Advice Bureau	1,529,763.00	1,524,763.00	1,469,763.00	1,633,058.00	1,651,655.00	1,564,964.00
14 Turning Lives Around (Tla)	1,477,621.12	1,617,163.77	1,453,281.84	1,317,112.21	1,095,858.79	1,154,672.73
15 Hollybank Trust	1,464,053.75	1,196,210.45	963,859.53	771,367.05	621,474.09	635,464.87
16 Advonet	1,454,409.11	1,231,812.37	1,303,122.65	1,418,126.94	1,227,881.35	1,120,756.50
17 The Disabilities Trust	1,417,504.34	1,187,663.21	856,066.47	1,175,580.45	892,899.19	885,295.11
18 Methodist Homes	1,340,658.10	714,932.01	1,165,466.21	764,142.20	1,274,743	863,403
19 Refugee Council	1,336,818.12	2,036,186.22	1,440,409.50	1,631,037.44	798,498.61	100,398.59
20 Sense	1,335,099.09	1,373,738.82	1,054,870.18	1,276,992.87	1,081,127.94	1,104,019.34
21 St Georges Crypt	1,214,760.18	746,373.35	1,834,389.13	264,733.44	306,312.00	343,061.00
22 The Wilf Ward Family Trust	1,162,992.92	1,188,033.40	906,064.19	1,304,879	1,348,474	3,364,538
23 Family Action - Pac Uk	1,158,139.06	398,094.81	-	6,521.70	127,877.44	120,879.83
24 Leeds Womens Aid	1,137,081.56	1,112,147.43	976,240.78	879,256.38	621,474.09	635,464.87
25 People In Action Leeds (Uk)	1,070,233.13	1,054,355.77	925,464.72	908,036.49	684,095.83	586,695.53

Fallen out of Top 25 from 2021/2022 to 2019/20

Gipsil *	-	4,673,009.23	6,330,414.53	6,431,053	2,802,925	2,012,374
Change Grow Live (Cgl)	472,297.22	888,089.78	887,472.85	837,881.80	-	-
Catholic Care Diocese Of Leeds	840,150.09	1,114,975.79	909,208.04	1,088,742.00	1,403,926.78	1,110,126
Anchor Trust	1,044,673.44	1,512,405.25	1,570,318.95	1,839,687	740,127	749,017

Gipsil *	Has been reclassified by Payments Team therefore not included in analysis.
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Comments :

Total Third Sector Business 20/21
Top 25's Percentage of Total
Top 10's Percentage of Total
Top 25's Percentage of Total

132,154,828
64%
48%

Total Third Sector Business 19/20
Top 25's Percentage of Total
Top 10's Percentage of Total

130,534,776
67%
51%

Total Third Sector Business 18/19
Top 25's Percentage of Total
Top 10's Percentage of Total

127,249,082
64%
49%

Rankings

2020/21	2019/20	2018/19
1	1	1
2	3	3
3	-	-
4	2	2
5	5	5
6	7	9
7	10	-
8	6	7
9	9	10
10	12	8
11	8	6
12	16	20
13	14	14
14	13	15
15	19	24
16	18	19
17	21	31
18	33	21
19	11	16
20	17	22
21	31	11
22	20	27
23	-	-
24	23	23
25	24	25

-	4	4
-	25	-
35	22	26
27	15	13

APPENDIX C

Distribution Analysis of 2020/21 Third Sector Business

	Number of organisations	% Of number of Organisations	Total Value £	% of total Paid
Number of Third Sector recipients	948		132,154,828	
Total payments above £9m	1	0.1%	25,147,618	16.9%
Total Payments £2m - £9m	9	0.9%	38,284,612	25.1%
Total payments £1m - £2m	19	2.0%	24,796,395	16.4%
Total payments £0.75m - £1m	8	0.8%	6,780,097	9.5%
Total payments £0.5m - £0.75m	10	1.1%	6,050,516	7.2%
Total payments £0.25m - £0.5m	23	2.4%	8,732,232	8.1%
Total payments £0.1m - £0.25m	88	9.3%	13,641,598	9.1%
Total payments £50k - £0.1m	61	6.4%	4,568,288	4.3%
Total payments £10k - 50k	122	12.9%	2,987,848	2.4%
Total payments £5k - 10k	79	8.3%	573,290	0.4%
Total payments £1k - 5k	172	18.1%	453,840	0.4%
Total payments £500 - £999	105	11.1%	77,604	0.1%
Total payments £100 - £499	186	19.6%	56,498	0.1%
Total payments below £100	65	6.9%	4,391.20	0.0%
Total	948	100%	132,154,828	100%
			Average	£139,404

Comments

The data contained above is representative of the transactions posted through the Creditors system and filtered through Code 310.

It provides only an indication of the number of organisations attributed to the Third Sector, as in previous years, through the Councils Financial Ledger (FMS) .

29 organisations received total payments of £1m or more which accounted for 58.5% of all payments made to Third sector businesses. This is similar to last years analysis.

The highest volume of organisations receiving payments in 2020/21 was 'Between £100 - £499' with 186 organisations receiving payments but this only represents 0.1% of the total payments made, a similar percentage to last year.

The Average aggregate payment to the Third Sector in 2020/21 was £139,404. An increase from the previous year from £103,271 (£36.1k increase year on year)

The number of organisations included in the data for 2020/21 has fallen by 316 from 2019/20. Last years analysis highlighted a reduction in 45 organisations and 83 the year before . This trend could be attributed to data cleansing / re-categorisation undertaken by BSC .

APPENDIX D**2020/21 Council Directorates**

	2020/21	%
<u>Directorate</u>	£	<i>Of the total</i>
Adults and Health	44,728,156.64	33.85%
Children and Families	12,326,327.30	9.33%
City Development	3,473,833.86	2.63%
Communities and Environment	7,481,595.42	5.66%
Resources and Housing	7,829,186.73	5.92%
Strategic Accounts	160,940.47	0.12%
Strategic Landlord	168,706.15	0.13%
Social Care / Pooled Budgets		
Other Service Providers	30,838,463.06	23.34%
Aspire	25,147,618.08	19.03%
Grand Total	132,154,827.71	100.00%

	2019/20	%
£	<i>Of the total</i>	
37,662,142.19	28.85%	
12,107,127.97	9.28%	
4,651,538.84	3.56%	
7,837,044.39	6.00%	
12,557,502.97	9.62%	
183,619.08	0.14%	
305,371.06	0.23%	
31,037,875.30	23.78%	
24,192,554.16	18.53%	
130,534,775.96	100.00%	

	2018/19	%
£	<i>Of the total</i>	
35,787,611.36	28.13%	
12,113,455.15	9.52%	
4,939,777.55	3.88%	
6,335,263.98	4.98%	
15,325,477.24	12.04%	
202,691.02	0.16%	
316,469.20	0.25%	
30,717,618.42	24.14%	
21,503,794.70	100.00%	
127,242,158.62	100.00%	

APPENDIX A**Distribution Analysis of 2021/22 Third Sector Business****Leeds City Council Total Business With the Third Sector.**

	<u>Total Payments</u>	<u>Movement from</u> <u>Previous Year</u>	<u>Movement</u> <u>as a %</u>
	£M	£M	
2021/22	136.1	4.0	3.03%
2020/21	132.1	1.6	1.21%
2019/20	130.5	3.3	2.53%
2018/19	127.2	2.1	1.65%
2017/18	125.1	-7.8	-6.24%
2016/17	132.9	5.8	4.36%
2015/16	127.1	15.1	11.9%
2014/15	112.0	2.8	2.5%
2013/14	109.2	0.6	0.5%
2012/13	108.6	-0.8	-0.7%
2011/12	109.4	-10.5	-9.6%
2010/11	119.9	-3.5	-2.9%
2009/10	123.4	-	-

Note

Payment data analysed above is based on payments made through the creditors system with a 310 marker. Further data cleansing relating to 310 marked organisations may be needed to be undertaken by BSC .

In 2015/16 Aspire was formed; hence the increase in total payments. To provide comparable data, Aspire would need to be discounted from payment totals: Aspire has received the following payments:

2015/16	£109.3m
2016/17	£110.4m
2017/18	£103.1m
2018/19	£105.75m
2019/20	£106.3m
2020/21	£25.1m
2021/22	£25.7m

APPENDIX B

Distribution Analysis of 2021/22 Third Sector Business

Rankings

	2021/22	2020/21	2019/20	2018/19
1 Aspire Services (Leeds) Limited	25,742,923.30	25,147,618.08	24,192,554.16	21,503,794.70
2 Humankind	10,705,081.20	8,826,474.96	8,947,475.26	8,776,155.45
3 ST ANNES RESIDENTIAL CARE	5,740,876.49	7,045,161.31	-	-
4 ST ANNES COMMUNITY SERVICES	4,719,366.88	5,521,494.50	10,706,610.71	11,321,305.12
5 HOME FARM TRUST LTD	3,510,817.30	4,036,985.51	4,179,868.44	3,449,521.75
6 Be Caring Ltd	2,936,485.57	2,821,125.25	2,146,338.64	468,486.65
7 Care & Repair Leeds	2,750,863.78	2,573,070.96	3,830,222.53	2,300,631.45
8 Touchstone - Leeds	2,728,254.06	2,844,579.03	2,972,441.48	1,915,283.00
9 LEEDS THEATRE TRUST LTD	2,170,017.71	592,710.25	-	-
10 REAL LIFE OPTIONS	2,011,621.07	2,502,227.55	2,298,463.93	1,883,161.10
11 LEEDS AUTISM SERVICES	1,981,844.45	2,113,493.32	1,629,645.81	1,944,271.01
12 Leeds Womens Aid	1,845,681.61	1,137,081.56	1,112,147.43	976,240.78
13 Community Foundation For Leeds	1,763,459.00	-	-	-
14 Affinity Trust North Divisional Office	1,645,276.52	1,982,885.54	2,515,449.10	2,476,017.04
15 ST GEORGES CRYPT	1,631,197.19	1,214,760.18	1,373,738.82	1,054,870.18
16 Turning Lives Around (TLA)	1,568,202.85	1,477,621.12	1,617,163.77	1,453,281.84
17 LEEDS CITIZENS ADVICE BUREAU	1,503,575.50	1,529,763.00	1,524,763.00	1,469,763.00
18 Carers Leeds	1,479,984.00	1,591,244.00	1,479,440.62	1,266,267.60
19 Hollybank Trust	1,478,389.64	1,464,053.75	1,196,210.45	963,859.53
20 BARCA - Leeds	1,457,351.32	1,011,347.92	740,737.34	652,752.93
21 Advonet	1,373,652.50	1,454,409.11	1,231,812.37	1,303,122.65
22 Opera North Ltd	1,202,693.00	477,137.50	-	-
23 SENSE	1,168,055.13	1,335,099.09	1,373,738.82	1,054,870.18
24 Methodist Homes	1,074,768.31	1,340,658.10	714,932.01	1,165,466.21
25 The Disabilities Trust	1,068,835.33	1,417,504.34	1,187,663.21	856,066.47

2021/22	2020/21	2019/20	2018/19
1	1	1	1
2	2	3	3
3	3	-	-
4	4	2	2
5	5	5	5
6	7	10	-
7	8	6	7
8	6	7	9
9	-	-	-
10	9	9	10
11	10	12	8
12	24	23	23
13	-	-	-
14	11	8	6
15	21	31	11
16	14	13	15
17	13	14	14
18	12	16	20
19	15	19	24
20	28	-	-
21	16	18	19
22	-	-	-
23	20	17	22
24	18	33	21
25	17	21	31

It is acknowledged that there are a number of individual organisations who receive payments in their capacity as lead body for consortia. For example

Consortia Lead	Consortium Name	Consortium Members
Humankind (Developing Initiatives For Support In Communities)	Forward Leeds	BARCA, LYPFT, St Anne's
Gipsil *	Flagship,	TIA, Foundation,
	Engage	BARCA, Riverside, Connect
Care & Repair Leeds	Home Plus Leeds	Age UK Leeds, Groundwork NEWY
Touchstone - Leeds	Your Space	Holbeck Elderly Aid, Women's Health
Turning Lives Around (Leeds Housing Concern)	Beacon	Touchstone, Foundation
Health For All (Leeds) Ltd	Better Together South	Hamara, Asha
Leeds Women's Aid	Leeds Domestic Violence Service (LDVS)	Behind Closed Doors, Women's Health Matters
Feel Good Factor	Better Together East	Zest, Space 2, Touchstone, Shantona

APPENDIX C**Distribution Analysis of 2021/22 Third Sector Business**

	Number of organisations	% Of number of Organisations	Total Value £	% of total Paid
Number of Third Sector recipients	<u>1,158</u>		<u>136,177,986</u>	
Total payments above £9m	2	0.2%	36,448,005	26.8%
Total Payments £2m - £9m	8	0.7%	26,568,303	19.5%
Total payments £1m - £2m	18	1.6%	25,488,675	18.7%
Total payments £0.75m - £1m	9	0.8%	8,166,652	6.0%
Total payments £0.5m - £0.75m	11	0.9%	6,735,116	4.9%
Total payments £0.25m - £0.5m	30	2.6%	10,198,112	7.5%
Total payments £0.1m - £0.25m	91	7.9%	13,839,277	10.2%
Total payments £50k - £0.1m	58	5.0%	4,253,382	3.1%
Total payments £10k - 50k	132	11.4%	3,285,281	2.4%
Total payments £5k - 10k	72	6.2%	532,106	0.4%
Total payments £1k - 5k	174	15.0%	444,583	0.3%
Total payments £500 - £999	142	12.3%	104,902	0.1%
Total payments £100 - £499	346	29.9%	109,328	0.1%
Total payments below £100	65	5.6%	4,266.08	0.0%
Total	<u>1,158</u>	<u>100%</u>	<u>136,177,986</u>	<u>100%</u>
			Average	£117,598

Comments

The data contained above is representative of the transactions posted through the Creditors system and filtered through Code 310. It provides only an indication of the number of organisations attributed to the Third Sector, as in previous years, through the Councils Financial Ledger (FMS) .

28 organisations received total payments of £1m or more which accounted for 65% of all payments made to Third sector businesses. This is similar to last years analysis.

The highest volume of organisations receiving payments in 2021/22 was 'Between £100 - £499' with 298 organisations receiving payments but this only represents 0.1% of the total payments made, a similar percentage to last year.

The Average aggregate payment to the Third Sector in 2021/22 was £106k. A decrease from the previous year from £139,404 (£33.4 decrease year on year)

The number of organisations included in the data for 2021/22 has increased by 210 from the last period, especially for the smaller values £100-£499 (160 organisations).

APPENDIX D

2021/22 Council Directorates

<i>Directorate</i>	2021/22 £	% of the total
Adults and Health	42,951,042.67	31.54%
Children and Families	13,189,101.00	9.69%
City Development	6,842,526.74	5.02%
Communities and Environment	9,009,904.54	6.62%
Communities, Housing and Environment	2,363,947.26	1.74%
Resources and Housing	7,256,628.25	5.33%
Resources	80,604.25	0.06%
Strategic Accounts	189,782.33	0.14%
Strategic Landlord	561,404.26	0.41%

Social Care / Pooled Budgets		
Other Service Providers	27,990,121.89	20.55%
Aspire	25,742,923.30	18.90%

Grand Total	136,177,986.49	100.00%
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2020/21 £	% Of the total
44,728,156.64	33.85%
12,326,327.30	9.33%
3,473,833.86	2.63%
7,481,595.42	5.66%
7,829,186.73	5.92%
160,940.47	0.12%
168,706.15	0.13%

30,838,463.06	23.34%
25,147,618.08	19.03%

132,154,827.71	100.00%
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Note:

The financial accounting system is being updated to reflect the current directorates and therefore there is cross over in where transactions 'sit'.