

<b>SIGNED OFF BY</b>	Head of Community Partnerships
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<b>TO</b>	Executive
<b>DATE</b>	20 <sup>th</sup> June 2019
<b>EXECUTIVE MEMBER</b>	Cllr Rod Ashford, Executive Member for Community Partnerships

<b>KEY DECISION REQUIRED</b>	Yes
<b>WARDS AFFECTED</b>	All

<b>SUBJECT</b>	Supporting our Voluntary and Community Sectors (VCS)
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<b>RECOMMENDATIONS</b>
<p><b>Recommendations</b></p> <p>1: To replace the Council's current financial support arrangements for the Voluntary and Community Sectors (VCS), on a cost neutral basis, with:</p> <ul style="list-style-type: none"> <li>a) <b>A Small Grants Fund</b> of £45,000 from 2020/21 (£30,000 for 2019/20), offering grants of up to £2,000, based on the criteria for award set out at Appendix 2.</li> <li>b) <b>A Medium Grants Fund</b> of £50,000 offering grants for expenditure from 2020/21 of £2,000 - £20,000, based on the criteria for award set out at Appendix 3.</li> <li>c) <b>A Commissioning Fund</b> of £285,000 for expenditure from 2020/21, targeted at some of our currently core funded VCS partners whose services are central to our corporate priorities, as set out in paragraphs 11 and 12 of the report and Table 11 of Appendix 1.</li> </ul> <p>2: To strengthen the Council's offer of 'in kind support' to the VCS, by authorising the Head of Community Partnerships, in consultation with the Portfolio Holder with responsibility for Community Partnerships and other Executive Members and Heads of Service as appropriate to :</p> <ul style="list-style-type: none"> <li>a) Develop and introduce a policy for free / discounted use of Council meeting rooms.</li> <li>b) Develop and introduce an employee volunteering policy, with an emphasis on skills based volunteering.</li> <li>c) Respond to specific in kind support requests from VCS partners.</li> </ul> <p>3: To note the Head of Community Partnership's proposals to improve dialogue with the Council's VCS partners as set out at paragraph 16 in the report and in paragraph 8.4 of Appendix 1.</p> <p>4: To authorise the Head of Community Partnerships to implement proposals that will increase skills</p>

based volunteering, amongst our business community, our residents and our own workforce.

- 5: To authorise the Head of Community Partnerships to raise public awareness of the activities of the Borough's VCS in order to give greater recognition of the value of volunteering to our residents.
- 6: To authorise the Head of Community Partnerships to undertake a programme of activities that can assist with the development of the skills and performance of the Council's VCS partners.
- 7: To approve that the Officer Scheme of Delegation in the Council's Constitution be amended to reflect the changes at Recommendation 1 above by, replacing paragraph 2.8 (*"Determine applications for capital grants, including Local Area Capital Grants, and allocate core grant funding"*) and paragraph 2.9 (*"Approve Councillor Community Awards in accordance with the agreed criteria"*) with:
  - (i) *"Determine applications for the small and medium sized grants fund on the basis of the financial limits and criteria determined by the Executive"*, with authority delegated to the Head of Service with responsibility for Voluntary Sector funding, in consultation with the Portfolio Holder with responsibility for the Voluntary Sector funding.
  - (ii) And *"Enter into and manage service level agreements for commissioned VCS services on the basis of the financial limits and criteria determined by the Executive"*, with authority delegated to the Head of Service with responsibility for Voluntary Sector funding, in consultation with the Portfolio Holder with responsibility for Voluntary Sector funding.
  - (iii) Removing the Councillor Community Awards Scheme from the Constitution with effect from the 2019/20 Municipal year.

## **REASONS FOR RECOMMENDATIONS**

Delivering these recommendations would strengthen our VCS through partnership working with both individual organisations and with Voluntary Action Reigate & Banstead (VARB). It would also encourage our business and resident communities to strengthen our VCS through greater skills based volunteering.

## **EXECUTIVE SUMMARY**

In autumn 2018, the Portfolio Holder for Leisure & Wellbeing asked Officers to review how we support our VCS. The intention was to improve the impact of the support we provide, both on our communities and on the Council, but not to reduce the current funding levels. We have now undertaken a thorough review of how we currently support our VCS which has identified a host of opportunities for us to strengthen our VCS and its impact, without needing to increase the budgets required. These opportunities encompass updating the approach to the financial support which we offer, alongside non-financial support.

In terms of financial support, the review recommends adopting a three year commissioning rather than grant giving approach for those organisations who play a central role to the delivery of our corporate priorities, as well as updating our approach to grant giving through the introduction of new grants funds to replace current arrangements.

The review recommends strengthening the non-financial support available to our VCS in a number of ways including: encouraging skills based volunteering amongst RBBC staff; working with Voluntary Action Reigate & Banstead (VARB) to raise public awareness of the activity of our VCS and to encourage more of our residents to recognise the value of volunteering; and developing the skills and performance of our VCS partners including through expert organisational health checks, collaborative fundraising & joint training.

We will have more regular dialogue with the VCS organisations which we fund, to develop a deeper understanding of who we fund, the impact of our financial investment, and facilitating and enabling our VCS partners to achieve more for our residents and to rely less on cash funding from us. This in turn will encourage a better understanding of RBBC's role amongst the VCS, and greater awareness of the breadth and impact of VCS activity amongst Members.

**Executive has authority to approve recommendations 1-6. Full Council has authority to approve recommendation 7.**

## STATUTORY POWERS

1. Whilst there is no statutory duty for a local authority to support its voluntary and community sectors, there are a number of pieces of legislation which inform the approach to this area of work, including in relation to grant giving. These are Section 111 of the Local Government Act 1972, Section 1 of the Localism Act 2011 and section 149 of the Equality Act 2010.

## BACKGROUND

2. There are over 300 voluntary and community organisations and over 60 faith groups operating within the borough. For a number of years we support our VCS partners directly or indirectly in a number of ways, including direct funding (Core Grants, Councillor Community Awards, Capital Grants, direct funding from specific services), providing subsidies (Rental Grant Subsidy), ad hoc in kind support (staff time, use of meeting rooms) and facilitating support for our VCS partners from our business community. In 2018/19 we provided a total of circa £380k of financial support (through grants) to approximately 50 organisations. We also provided support through mandatory business rate relief to registered charities occupying premises in our borough.
3. The Portfolio Holder for Leisure & Wellbeing asked Officers to review how we support our VCS, in order to increase impact and effectiveness, both for us and for our VCS partners. The objective was not to reduce our financial support, but rather to achieve more with the same budget. At the same time, internal audit reviewed our grant giving mechanisms. The resultant report (Appendix 1), entitled *Working Better Together to Support our Voluntary and Community Sectors*, considers how we work with our VCS partners and makes a number of recommendations. These recommendations are summarised in this Executive report.

## KEY INFORMATION

### **Working Better Together to Support our Voluntary and Community Sectors**

4. The report considers the strengths and weaknesses of each aspect of our current approach to supporting and engaging with our VCS, alongside the opportunities to refresh our approach to increase the impact on our residents. It provides the broader context to our VCS, including explaining the role of Voluntary Action Reigate and Banstead (VARB), as well as considering good practice elsewhere.

5. The report recommends reconfiguring the current financial support (Core Grants, Councillor Community Awards, Capital Grants) into:
  - **A small grants fund** of £45,000 from 2020/21 (£30,000 for 2019/20), offering grants of up to £2,000.
  - **A medium grants fund** of £50,000 offering grants for expenditure from 2020/21 of £2,000 - £20,000.
  - **A commissioning fund** of £285,000 for expenditure from 2020/21, targeted at some of our currently core funded VCS partners whose services are central to our corporate priorities.

### **Small Grants Fund**

6. The proposed Small Grants Fund will provide smaller grants (up to £2,000) to enable the VCS to deliver smaller activities or projects which respond to local community needs and support our corporate priorities. Awards will be considered for provision of activities, projects and one-off initiatives. Applicant organisations will need to approach ward Councillors for endorsement of their applications. The application guidance for the proposed Small Grants Fund is attached at Appendix 2.
7. Applications will be assessed in batches after each application deadline has passed. (There will be 2 deadlines in 2019/20 and 3 deadlines from 2020/21.) A scoring matrix will assess applications fit with our corporate priorities, the level of Member endorsement, the anticipated impact on our residents, and other considerations including equality and accessibility, financial viability and longer term sustainability. Only applications which support our corporate priorities will be considered. In 2019/20, we will only award approximately 50% of the available budget in each application period to ensure funds remain available later in the financial year.
8. The effectiveness of the new Small Grants Fund will be reviewed towards the end of 2019/20 to inform 2020/21 onwards.

### **Medium Grants Fund**

9. The proposed Medium Grants Fund will provide grants of between £2,000 and £20,000 for either revenue or capital funds. Some organisations currently receiving core funding (who are not eligible for the Commissioning Fund, see paragraphs 11 and 12 below) are anticipated to apply to this fund. The application guidance for the proposed Medium Grants Fund is attached at Appendix 3.
10. Applications will be assessed at the same time after the annual application deadline. A scoring matrix will be used to assess applications fit with corporate priorities and the anticipated impact on our residents.

### **Commissioning Fund**

11. The proposed Commissioning Fund will support selected key VCS partners whose services are central to our corporate priorities, with a more stable source of core funding, especially those seeking larger financial contributions. We will specify the services we are seeking from these VCS partners, and will work with them to enter service level agreements for up to 3 years. These service level agreements will define specific outcomes which the VCS partner will need to report to us against, to demonstrate the impact of Council funding.
12. Commissioned partners' funding will consequently be more stable, enabling them to

place greater focus on service quality and organisational development. The commissioning approach will enable us to demonstrate the impact of our financial commitments more clearly, and to tie our funding awards more closely to performance.

### **Awarding Funds**

13. In line with the current delegation arrangements (for Core Grants, Capital Grants and Councillor Community Awards), awarding decisions will be made by the Head of Community Partnerships in consultation with the Executive Member for Community Partnerships. The scheme of delegation will be updated accordingly as set out in Recommendation 7.

### **Non-financial Support**

14. The report identifies a host of opportunities to regularise and enhance our non-financial support to the sector, as set out below:
15. **Providing greater in kind support** – for example: developing a consistent policy for offering free / discounted use of Council meeting rooms, developing an employee volunteering policy, responding to specific ad hoc in kind requests.
16. **Improving dialogue with our VCS partners** – by identifying RBBC single points of contact to improve our understanding of and relationship with the VCS.
17. **Increasing skills based volunteering** – both our own, and amongst our business and residential communities.
18. **Raising Member and public awareness of the activity and impact of our VCS and recognising the value of volunteering** – for example: encouraging partners to get to know their local Councillors.
19. **Supporting the development of the skills and performance of our VCS partners** – for example, regular networking opportunities to enable joint working and sharing of expertise, and joint training opportunities.

### **OPTIONS**

20. The options available to the Executive are set out below:
21. **Option 1: Approve the findings of the VCS review for implementation.** The review has identified a significant number of opportunities for us to refresh and enhance our support for our VCS partners, in order to increase the positive impact on our residents. The review's recommendations are borne out of research into good practice and feedback from the VCS. Approving this option will have a substantial positive impact on our VCS partners and our partnership working with them to support our corporate priorities. **This option is recommended.**
22. **Option 2: Reject the findings of the VCS review and continue with our previous approach to supporting the VCS.** This option would not secure the best impact for our substantial existing budget allocation to support the VCS, and would not take advantage of the opportunities to expand and regularise our in kind support for the VCS. The positive impact on the VCS and our residents would be lost.
23. **Option 3: Only approve some of the findings of the VCS review for implementation.** Whilst some of the recommendations could be pursued in isolation of others with some positive impact, there are some interdependencies which would

reduce the scale of positive impact. For example, placing a greater emphasis on in kind support, such as skills based volunteering, will help to counteract any issues experienced by VCS partners who are used to receiving certain level of financial support from the Council.

## LEGAL IMPLICATIONS

24. This report seeks approval for the Council's approach to VCS support, including financial support, in line with our Corporate Plan. This financial support includes reworking our existing grant support into a Commissioning Fund, a Medium Grants Fund and a Small Grants Fund.
25. There is no strict legal definition of a grant and generally a grant is deemed to be a "gift". However with the expenditure of public funds, the recipient voluntary organisations and community groups are expected to have in place appropriate policies and strategies and the Council imposes appropriate conditions and implements relevant monitoring mechanisms.
26. The Council has an obligation to ensure that all members of its community have a fair opportunity to benefit from the Council's resources, therefore, any grants made must be subject to an open application procedure. The evaluation criteria for grant awards must be published in advance. The Council must also be able to demonstrate a clear decision making process and rationale for awarding a grant. The Council's operational methods for application and award of Small and Medium Grants are set out in Appendices 2 and 3.
27. The Council's award of a grant payment must be supported by statutory power. There are two general statutory powers which permit the Council to provide community grants.
28. **Section 111 of the Local Government Act 1972** gives the Council power to do anything which is "calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions". For the purposes of this report Section 111 can permit authorised expenditure of public funds for the provision of grants.
29. **Section 1 of the Localism Act 2011** gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. This general power of competence may also support the payment of grants.
30. The Council must also have "due regard" to the need to eliminate unlawful conduct in accordance with requirements of the **Equality Act 2010**. Having "due regard" means consciously thinking about the three aims of the Equality Duty as part of the process of decision-making. The three aims of the Equality Duty are that public bodies must have due regard to the need to:
  - eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
  - advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
  - foster good relations between people who share a protected characteristic and people who do not share it. (NB: "protected characteristics" – age, disability, gender reassignment, pregnancy and maternity, race which includes ethnic or national origins, colour or nationality, religion or belief which includes lack of

belief, gender and sexual orientation).

31. The “Public Sector Equality duty” under **section 149 of the Equality Act 2010**, therefore requires the Council to advance equality of opportunity and foster good relations between persons who share protected characteristics and those who do not. A proportionate level of equality analysis is required to discharge that duty. The Council must ensure that the equality analysis is undertaken throughout the process when determining how the overall budget for the grants is divided and for the award of grants in each area.
32. It is also important that the Council is mindful that each grant or area of grants is clearly linked to the discharge of a particular function of the Council and in accordance with its corporate priorities.

### **FINANCIAL IMPLICATIONS**

33. The VCS review’s recommendations do not change the overall net budget requirement for our VCS support. Whilst revenue growth of £20,000 is required in 2020/21 Service and Financial Planning, the net RBBC cash outflow remains unchanged as £20,000 of capital budget would be removed from the capital programme. This relates to the move away from a dedicated £20,000 capital grants budget to the flexibility of the medium grants budget which could be used for either revenue or capital grants from our revenue budget.
34. The review does include a number of recommendations for in kind support, most of which can be delivered without direct financial implications. Implementation of the recommendations will enable us to have a greater positive impact on our VCS, and thereby our residents, while investing the same level of financial resource.

### **EQUALITIES IMPLICATIONS**

35. The completed Equalities Screening Toolkit is attached at Appendix 4. The screening shows that these recommendations will have positive equalities implications, both directly to the VCS organisations which we support, and indirectly to several target groups amongst our residents whom the VCS organisations support.

### **COMMUNICATION IMPLICATIONS**

36. Our Partnerships Team have already identified lead officers to liaise with each of the organisations which we currently core fund. One to one meetings are also planned with the VCS partners that we have identified to move to a commissioned model of financial support.
37. A group session is planned with a number of our VCS partners to share the Executive’s decision and to start the process of implementing the review’s recommendations. Alongside this, these lead officers will proactively meet with all of the organisations which we currently core fund to discuss the implications of the review’s findings for these organisations, to gain a better understanding of their support needs, and thereby to explore new (sometimes not / less financial) ways to support these organisations work for our residents.
38. We are already working with our communications team to explore further avenues to

communicate and promote the changes, including the potential to include an article in the next edition of Borough News. Our web pages will be updated to reflect the new grant arrangements.

## **HUMAN RESOURCES IMPLICATIONS**

39. One of the review's recommendations is to develop an employee volunteering policy. This would benefit both the local VCS and the personal development of our workforce.

## **RISK MANAGEMENT CONSIDERATIONS**

40. There are no anticipated risks arising from the implementation of the VCS review.

## **OTHER IMPLICATIONS**

41. Implementing the review's recommendations will have positive implications for a number of our service areas, as it will strengthen our relationships with and stabilise our support for key VCS partners, in particular those whose services are more central to our corporate priorities. For example, our support for East Surrey Domestic Abuse Service (ESDAS) is key to the delivery of one of our Community Safety priorities. Transferring ESDAS onto the commissioned model will give them greater financial stability and therefore more time to focus on their service delivery and their longer term strategies.

## **CONSULTATION**

42. The VCS review has included talking to our VCS partners and our internal colleagues through a range of methods including the use of questionnaires and semi-structured interviews to gain their insights and understand the impact of the current arrangements. In addition, Voluntary Action Reigate and Banstead (VARB), hosted a consultation meeting where we gathered the views of many of the agencies that are supporting our residents.

## **POLICY FRAMEWORK**

43. The recommendations of the VCS review support the objectives of the *People* themes of both our current Five Year Plan and our emerging Corporate Plan.

## **APPENDICES**

1. Working Better Together to Support our Voluntary and Community Sectors (VCS): A Review of our Current Approach (March 2019)
2. Small Grants Fund Guidance
3. Medium Grants Fund Guidance
4. Equalities Impact Assessment

## **BACKGROUND PAPERS**

None

