



London Borough of Islington

Consultation on the Council's Support to Local Voluntary Organisations (Islington Community Fund)

Tell us what you think

**www.islington.gov.uk/vcsconsultation
Email partnerships@islington.gov.uk
Room G12, Islington Town Hall, Upper Street, NI 2UD**

19 June 2014

Introduction

The voluntary sector lies at the heart of the council's ambition for a fairer Islington. Each day, hundreds of staff and volunteers in community organisations across the borough provide valuable important services to our most vulnerable residents.

Voluntary organisations hold major contracts to deliver many of the services that we have a statutory duty to provide – particularly adult social care - and we also commission a range of discretionary services through the sector. In 2013/14 the council spent almost £40m on services delivered by the voluntary sector

As well as contracts we award grants to local community groups supporting Islington's diverse communities and improving the quality of life for all in our neighbourhoods.

Unprecedented cuts in public spending (and more on their way) will mean that the council won't be able to maintain all of its current services in the future. At the same time we face new and growing demands, such as in meeting the needs of an aging population.

The voluntary sector will be relied upon more than ever. We will all have to collaborate with less money to find innovative ways to help our residents through the difficult years ahead.

The Financial Challenge

The scale of reductions in public spending presents enormous challenges to maintaining essential services and responding to new demands.

Since 2010/11 the council has had to cut its spending by £112 million - around 37% of our budget. But the cuts continue. We expect to have to find around another £95 million savings over the next four years.

Cuts of this magnitude mean that we will need to radically review what the council can continue to deliver. The impact will be greater for discretionary services which the council does not have a statutory duty to provide.

We will have to work in different ways with our voluntary sector partners and obtain better value from our funding, both in financial terms and for the benefit of communities across the borough.

Like the council, voluntary organisations will also need to adapt to a harsher financial climate. In order to achieve the best possible outcomes for our most vulnerable residents, local organisations will need to review the way that they work and the services that they deliver. This may involve:

- closer co-operation and/ or restructuring;
- sharing resources such as premises and administrative functions;
- developing new services and operating models to generate income.

The council wants to support the sector during the difficult years ahead and to work with innovative organisations that can help us to meet the major financial challenges that we face.

Better Outcomes for Islington and its Communities

We're determined to create a fairer Islington, reducing the gap between rich and poor and making a difference to the lives of those who most need our help. We define this as cutting the number of residents living in poverty and the gap in the most important outcomes (housing, crime, educational achievement, employment, health and well-being) between the most and least affluent.

The voluntary sector has an essential role to play and we want to support and work with local organisations actively engaged in helping us to meet our priorities.

Jobs, housing and coping with the rising **cost of living** are the three things that residents say are of most concern to them at the moment and the council is committed to addressing these issues.

The Council's Partnership with the Voluntary Sector

We value a resilient local voluntary sector that is:

- Independent, varied, responsive and reflects Islington's diverse communities.
- Innovative and entrepreneurial and able to shape and deliver high quality services.
- An advocate for residents and supports the council to address local needs.
- Collaborative and works in partnership to achieve community outcomes.

We want to continue to develop constructive relationships and to engage in dialogue and mutually beneficial partnerships with organisations - whether we fund them or not - and we recognise the importance of ensuring that there are opportunities for us to work together.

Reduced resources mean that we will need to find new and innovative ways to achieve better outcomes for our residents. We are open to voluntary sector solutions to improving local services. We will also work with and support the sector to attract investment into the borough to maintain and develop new services.

The council acknowledges the importance of its financial support to local voluntary groups and to the infrastructure that sustains and enables the wider sector to flourish. We will continue to provide funding, and although we won't be in a position to do so to the same extent in future years, we believe that we can retain a thriving voluntary sector if there is more creative thinking about grants as well as about commissioned services.

We will allocate our resources in fair, transparent and consistent ways to individual and groups of organisations that are well run, provide value for money and deliver positive outcomes for residents.

Consultation

This consultation relates to grants awarded to local organisations from the **Islington Community Fund** – a £3.4 million pot of annual financial support. Current fund arrangements end on 31 March 2015 and we would like your views on the principles and priorities that should underpin future support for local voluntary and community organisations and how we can work together to make Islington a fairer borough for all our residents.

We are not asking you to tell us which organisations should receive funding or how much each should get. The council has yet to agree a budget for the Community Fund and grants will be awarded through an open and transparent process.

The consultation closes on Friday 15 August 2014.

Please use the form at the end of this document to send us your views.

If you would like this document in large print or Braille, audiotape or in another language, please telephone 020 7527 2000.

Supporting the Local Voluntary Sector

This year (2014/15) we will spend about £40 million on contracts and grants to not for profit voluntary organisations. [View details on the council's website.](#)

Over 90% of this expenditure is for commissioned services, mostly openly tendered and allocated on the basis of bids assessed against objective criteria. Council departments (particularly Housing and Adult Social Services and Children's Services) will continue to purchase services from the voluntary sector in this way – adhering to national and EU legal procurement rules which all local authorities have to follow.

We want to see more local organisations successfully bidding for contracts, either by themselves or joining together in consortia. We have worked closely with sector representatives to review our procurement procedures so that they take account of community benefit. This will help local groups to compete effectively for contracts.

We have a variety of relationships with the voluntary sector. As the pressure on council resources increases we need to be more creative and find ways of offsetting reductions in funding with other support.

The voluntary sector has a long history of innovation and many of the services that are now part of the local fabric, such as free community legal advice, facilities for young people and even some aspects of primary health care, were first pioneered by voluntary community action to address local concerns and gaps in statutory provision.

Less public sector funding, combined with major challenges will require more voluntary sector solutions. We would like to support imaginative and creative organisations to test out new ideas and approaches to improving local services and securing better outcomes. We are also interested in suggestions on ways in which the council can stimulate more creativity by changing the way that that it operates.

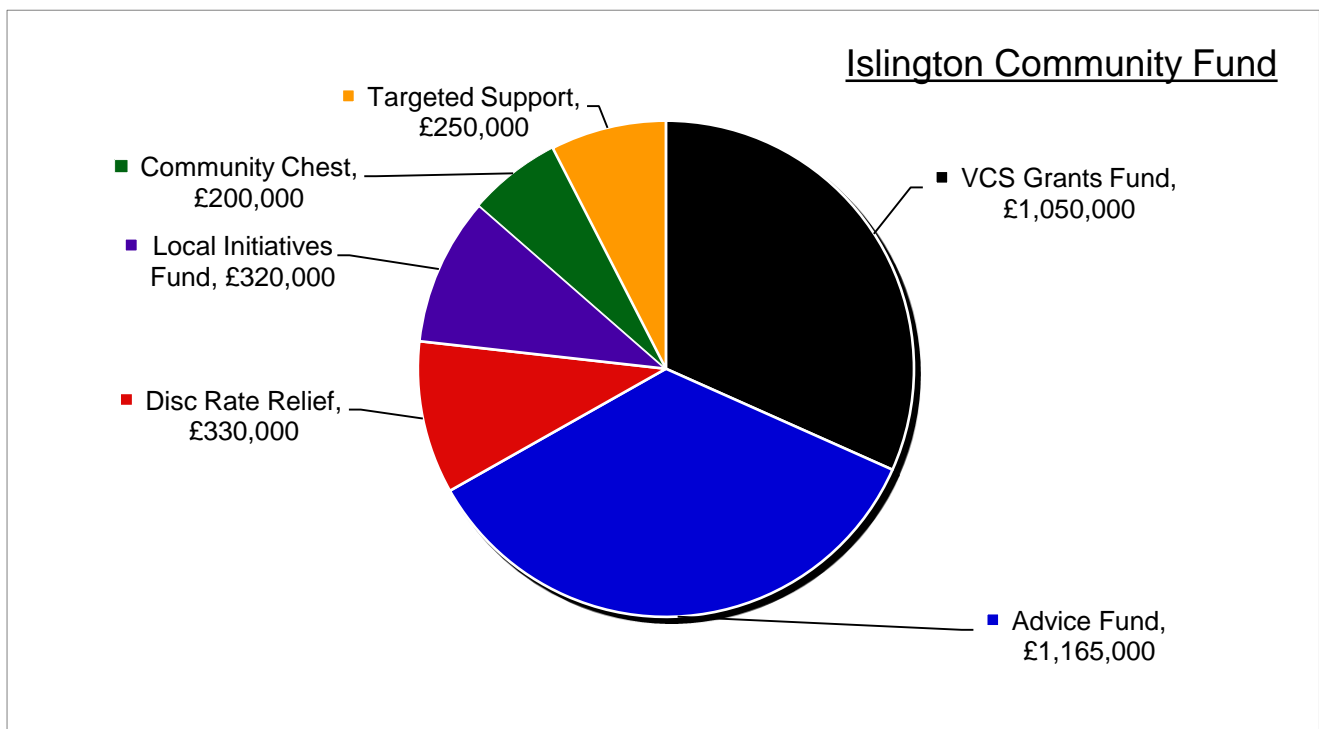
Question

1. At a time of reduced public funding, how can the council and the voluntary sector work creatively together to meet our priorities for the borough and address the issues that are of most concern to residents?

Islington Community Fund

In 2011 non-commissioned council grants to local voluntary and community organisations were amalgamated into the £3.4 million Islington Community Fund which has six grants programmes:

- **Voluntary and Community Sector Grants Fund:** £1.05 million per year.
Core funding to strategically important local organisations.
- **Advice Fund:** £1.165 million per year.
For specialist community legal advice and doorstep advocacy.
- **Discretionary Rate Relief:** £330,000 per year.
Rate relief to local charities and community groups.
- **Local Initiatives Fund:** £320,000 per year.
Neighbourhood projects supported by local ward councillors.
- **Community Chest:** £200,000 per year.
Small one-off grants to local organisations.
- *** Targeted Support:** £250,000 per year.
Funding for specific services – young people, community safety and lunch clubs.



***Note:** The Targeted Support element was introduced to mitigate the impact of the loss of central government funding which had supported a number of local voluntary organisations. We don't propose to continue with this arrangement and we will integrate our support within other commissioned programmes.

Local community groups serving Islington residents (as opposed to national or regional charities with offices in the borough) were invited to apply for funding and the Council's Voluntary and Community Sector Committee agreed awards to 31 March 2015.

Current funding awards come to an end next year and we have an opportunity to review our future priorities and approach, including how much we allocate to each type of activity.

Question

2. Given the huge challenges that we face over the coming years, what should be the main priorities of an Islington Community Fund?

Voluntary and Community Sector Grants Fund

The Voluntary and Community Sector (VCS) Grants Fund is the largest of the Islington Community Fund's programmes and core funds 43 local organisations across six different themes. [Download a list of grant awards.](#)

Current Themes

1. Community Hubs: Large community centres providing a range of services for residents and supporting smaller groups in a specific part of the borough.

Theme allocation £500,000 per year. Maximum grant £60,000 per year.

2. Cohesion: Organisations promoting cohesion within and between Islington's BME, refugee/migrant and faith communities.

Theme allocation £285,000 per year. Maximum grant £25,000 per year.

3. Networks and Support: Borough-wide networks and organisations providing support to other local organisations.

Theme allocation £110,000 per year. Maximum grant £40,000 per year.

4. Disability: Organisations supporting disabled residents.

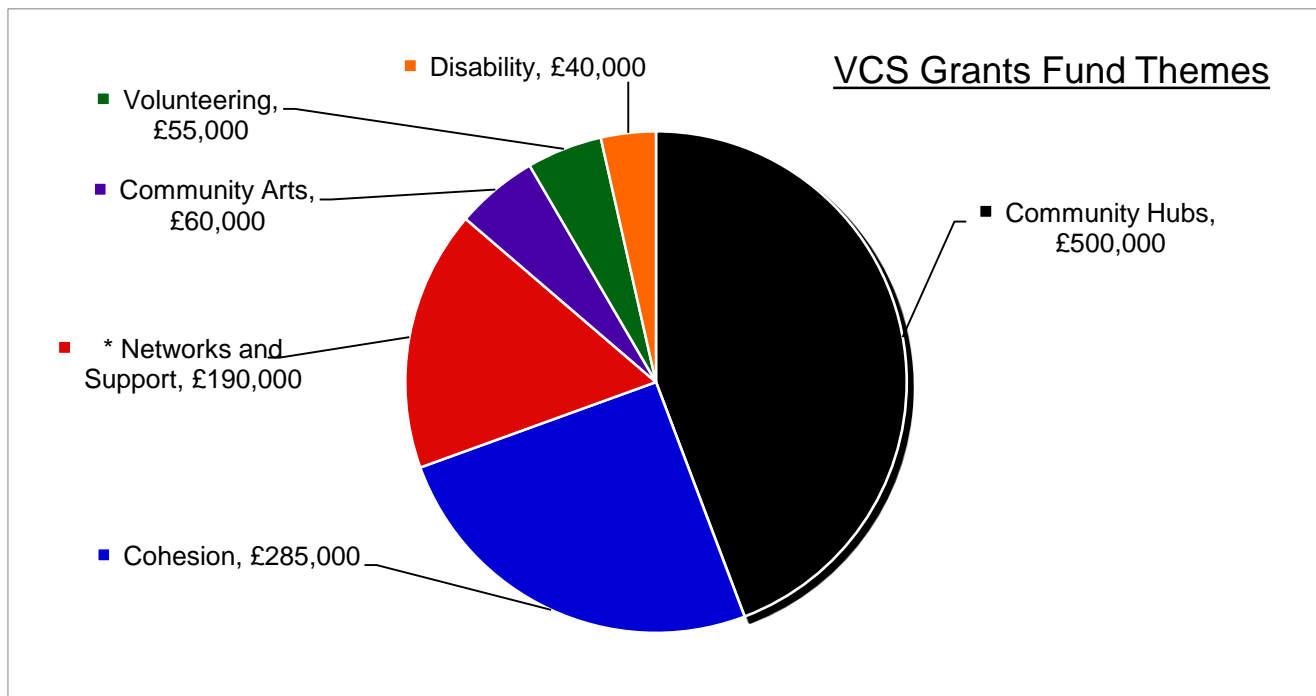
Theme allocation £40,000 per year. Maximum grant: £40,000 per year.

5. Community Arts: Organisations engaging residents in the arts.

Theme allocation £60,000 per year. Maximum grant: £20,000 per year.

6. Volunteering: Organisations promoting local volunteering.

Theme allocation £55,000 per year. Maximum grant: £55,000 per year.



* **Note:** Networks and Support element includes an additional £80,000 agreed in 2012 for voluntary sector capacity building and information services; an independent voice to represent the sector; and support for a borough wide network of community hubs.

Community Hubs

The VCS Grants Fund core funds 12 community hubs (large community centres) delivering services in specific parts of the borough. Our ambition for hubs is that as well as offering a range of good quality local services they provide the focus for community activity in their areas and are well used by a diverse range of local residents.

We asked them to work closely with councillors within ward partnerships to help improve local services and the quality of life in their neighbourhoods. Hubs have also played a role in supporting smaller community groups and connecting with other community facilities in their areas.

We have tended in the past to fund hubs serving the most disadvantaged residents in the poorest parts of the borough. This means that some wards don't have a hub and others have more than one hub or deliver services from a variety of smaller community venues. It could be argued that a successful hub brings all sections of the community together, including more affluent residents and volunteers.

The hubs that we fund don't cover the whole borough and not all provide the same services. There are also other important local community centres that we don't fund.

Question

3. What do you think are the most important services that we should support the voluntary sector to provide in a neighbourhood? Do you think that community hubs are the best way of delivering these?

Community Cohesion, Engagement and Advocacy

We fund a number of organisations and networks providing services for and representing and supporting BME and equality groups. In turn they bring together and work with a wider range of smaller organisations to help them to grow and also to voice and articulate the needs of the communities that they serve. They provide an important platform for communities to engage with statutory agencies to plan and shape services in Islington and also support cohesion between different communities.

We want them to work collaboratively to serve and advocate on behalf of their whole communities and involve and engage with residents and groups that make up its wider constituent parts. We also want to make sure that they have the right expertise to deliver effectively.

Islington's population is very diverse and not all our communities are represented by the organisations that we fund. In some cases we awarded grants to more than one group serving the same community (although not necessarily supporting the same residents).

We previously funded disability representation and advocacy separately but propose to include it within a broader theme. However, not all 'protected characteristics'¹ as defined by equalities legislation are currently served by the networks and organisations that we fund.

It would not be possible to stretch our funding to support organisations from each and every one of our many communities. Even within communities there is wide diversity of opinion, outlook and lifestyles and some don't have a voluntary organisation specifically for them operating in the borough.

We want to see organisations working collaboratively and within networks to address the full range of equalities issues, taking account of the needs of residents from all protected characteristics.

Questions

4. What activity should we fund to give Islington's diverse communities a voice and enable them to shape and influence services?

5. How can we encourage groups to collaborate and address wider equalities issues affecting residents from all protected characteristics?

¹ Protected characteristics = age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sex; sexual orientation.

Voluntary Sector Support

Currently we fund a number of organisations delivering borough-wide services and activity to sustain and develop Islington's voluntary and community sector – especially work with new and small groups. This includes information services, linking organisations with opportunities and providing expertise in key areas such as fundraising, training and capacity building. Groups can also access support from other services that are available, including help from local businesses through the [BIG Alliance](#) project (Businesses for Islington Giving).

Some of this support is specifically targeted at particular sectors and we need to achieve more joined-up working between providers – including the national and London-wide organisations working in this field. Feedback from the annual local voluntary sector conference tells us that small groups find the patchwork of support difficult to understand. We have also been told that community groups would like more one to one expert help and consultancy.

To help Islington's voluntary sector adjust to the large loss of public funding over the next few years we also need to ensure that organisations are able to access support to restructure, join together to save costs, establish consortia to secure contracts and to develop new income generating operating models, such as social enterprises.

Question

6. What specific support should we fund to sustain a robust local voluntary sector and how should this be delivered?

Volunteering

Volunteers underpin much of the work of the voluntary sector and we want to make sure that local organisations are able to harness this valuable human resource. Residents also need ways to get involved, as do local businesses that offer free expertise and professional help to organisations in the borough.

We currently fund the promotion of volunteering and the development of opportunities to get involved. When we reviewed our financial support in 2012, we were keen to try out new ways to get more local people volunteering – particularly residents who weren't already doing it.

People volunteer in all sorts of ways and many will approach community groups directly to offer help. This doesn't normally need any additional support and we would like to ask your views on what, if any, volunteering interventions the council should support.

Question

7. Should we fund activity to support volunteering and, if so, what should this be?

Community Engagement and Resident Participation

A number of local voluntary organisations deliver activities or run amenities that enrich the lives of residents of all ages and backgrounds. They reflect the rich diversity that makes up Islington and include arts and cultural activities funded by the Islington Community Fund. There are also a number of well-established community run recreation facilities and regular public events which residents cherish and are essential ingredients to the fabric and life of the borough.

While there may be opportunities for some of these organisations to secure funding by diversifying their activities and engaging with other programmes, we want to ensure that valued local community institutions are not lost to the borough and propose to include them within the scope of the council's support to the local voluntary and community sector.

Question

8. What outcomes should we expect from organisations funded to deliver community engagement and participation?

Discretionary Rate Relief

180 charities and voluntary organisations currently receive discretionary rate relief. This includes quite a few community groups that don't get any other council funding.

Our support is directed to organisations providing services to Islington residents, rather than to large national charities with offices in the borough. We also exclude charity shops as they don't directly deliver a service. However, all registered charities (locally focussed or not) can get mandatory rate relief which covers 80% of their rates. [View details and criteria.](#)

We give discretionary rate relief to both charities and other types of not for profit organisations and they usually don't have to pay any rates if they receive an award from us. However, in the case of large awards (currently £6,000 or over) we can decide to only fund a proportion of the rates bill to reflect the amount of local benefit. In practice we have only applied this to one large organisation.

In 2011 we reviewed all organisations receiving discretionary rate relief to ensure that they still met the criteria (which we also reviewed). Each was asked to re-apply and new four year awards were given to 31 March 2015.

We have also accepted applications each year from groups that either started or moved into the borough after 2011. Although we funded very few new applicants we set aside a small part of the budget to pay for new awards - otherwise they would have been forced to wait for up to three years before getting an opportunity to apply.

Our criteria are broad enough to include a very wide range of organisations and includes voluntary aided and grant maintained (but not private) schools. We could tighten the criteria to reduce eligibility and re-direct some of the money saved to our other voluntary sector grants programmes. However this could limit the scope to give discretionary rate relief to new and emerging organisations that are adopting different not for profit models that don't involve charity registration.

We would like your views on discretionary rate relief and what it should support.

Question

9. What type of organisations should we support with discretionary rate relief?

Premises

Finding suitable and affordable premises in the right location can be a struggle for many voluntary and community organisations. Accommodation costs are high in Islington, particularly in the south of the borough, but the sector needs fit for purpose buildings to operate effectively and serve residents well.

A range of accommodation is needed - from spaces for small groups with little funding that are just starting up through to larger local organisations providing services to relatively high numbers of residents each day.

Sharing accommodation can bring down costs for voluntary organisations facing the pressure of reduced public sector funding. Bringing complementary community sector activities together under one roof also has the potential to provide a better service to residents which they will find easier to access.

The council is looking at how to make the best use of its property portfolio to benefit the sector and we will continue to use our planning powers to secure agreements from developers for new community spaces in the borough and maximise community benefit from the new Community Infrastructure Levy.

We want to ensure that the sector has the support that it needs to secure and maintain suitable and affordable accommodation and would like your views on how we should do this.

Question

10. What support do local organisations need to meet their accommodation requirements?

Advice

Over a third of the Islington Community Fund is allocated to community advice services and doorstep advocacy. This theme also includes our largest single grants to organisations.

Major reform of the welfare benefits system continues to drive the demand for advice in Islington. Important changes have already taken place and further reforms are being introduced. Large numbers of our residents are affected and we need to ensure that they are able to access good quality advice to help them through the process.

Universal Credit presents particular challenges and we have joined with local partners, including the DWP, to provide support to residents within a “local support services framework”. As well as help to access benefits, this includes tackling wider needs such as debt and budgeting, IT skills and barriers to securing and keeping a job.

Advice agencies and other voluntary and community sector partners have an important role to play in supporting vulnerable residents affected by welfare reform. We would like your views on how we should work together within a local support services framework.

Question

11. What role should the voluntary sector play within a “local support services framework” to assist residents affected by welfare reform?

As well as organisations funded by the Islington Community Fund, we commission advice through other programmes - advice and advocacy for older residents; specialist mental health support and a dedicated service for council tenants and leaseholders. The council also has its own in-house advice services covering welfare benefits, debt, housing, employment and other areas.

Multiple and fragmented routes into advice are confusing for residents who often find that they have to contact or are passed between a number of different organisations and services in order to resolve their issues. There is also an amount of duplication where providers deliver identical services. In some cases, the council and voluntary sector offer the same support.

Against a background of large cuts in public funding we need to maximise the effectiveness of reduced resources for advice and achieve better outcomes for residents. This includes clearer distinctions between what we fund the voluntary sector to do and the services that the council delivers itself.

Question

12. What advice services should the council deliver in-house and what are voluntary sector agencies best placed to provide?

Small Grants

The Islington Community Fund includes two small grants programmes – a flexible devolved budget for local councillors to use to address issues and priorities in their wards (Local Initiatives Fund) and the Islington Community Chest.

Islington Community Chest provides small grants to local voluntary organisations with a turnover of no more than £100,000 a year – in most cases less than £50,000 a year. Grants are awarded through a rolling programme, but groups can only apply for one grant per year.

This is a very popular scheme which supports small community organisations. Many are volunteer-led and wouldn't meet the criteria for funding under our other programmes.

We have devolved the administration of community chest grants to a local grant giving trust, although the council still has an overall say on who gets what. The trust tops-up the community chest with its own resources and offers a capacity building service to all groups that receive a grant. This is a key element of the programme which helps to develop organisations and get them ready to apply for other funding.

Question

13. What type of activities should our small grants programmes fund?

Funding Mechanism

Our current awards end in March 2015, which falls just before the May general election. We don't know what financial settlement a new government will decide for local authorities, but year on year we have been asked to make massive savings and we expect this to continue.

Unpredictable reductions in public spending of this scale make it difficult for us to commit long term funding. At the same time we are aware that voluntary organisations need a level of financial security to enable them to plan ahead.

In order to provide a degree of security we are **planning to introduce 2 + 2 agreements**, whereby we guarantee funding for two years with an option to extend for a further two – when we have a clearer indication of the council's finances.

Most elements of the Islington Community Fund are grants awarded through competitive application and we want to continue with an open and transparent process. But, some of our themes have been criticised for being too closely framed around the needs of particular organisations, rather than on services and the needs of residents. We're also aware that not all of the groups that we fund are performing as well as they could and we need to consider introducing tighter agreements which more clearly set out the outcomes that we expect for residents.

We have already introduced minimum standards which cover safeguarding; whistle blowing; finance and governance, but would like your views on what we ask organisations to provide to demonstrate that they are well run and meet residents' needs.

Question

14. What evidence should we ask for to ensure that grants are awarded to the most effective organisations?

In 2011, as well as introducing fixed allocations for different areas of activity (themes) in the VCS Grants Fund, we also set a ceiling on the size of individual grants. Our aim three years ago was to ensure that funding was spread across a wider range of organisations, rather than fewer getting a larger share. We now offer core funding to 43 organisations compared with 27 under the previous arrangements.

However, we didn't specify a minimum grant and there are concerns that some of our awards are too small to allow organisations to operate effectively. We could review this, but it would mean funding fewer groups. Our smallest awards currently are for £5,000.

Question

15. Should we specify minimum core grant awards and, if so, at what level?

Further Comments

16. Have you any other comments to make about the council's support to local voluntary organisations?

Timetable

Your views will inform how we support local voluntary and community organisations after our current programmes end on 31 March 2015. We have set out below an indicative timetable for a review.

The consultation closes on Friday 15 August 2014.

In September 2014 the Council's VCS Committee will consider the consultation feedback and will agree arrangements for Islington Community Fund beyond March 2015.

During the autumn we will publish a funding prospectus and invite organisations to apply for Community Fund programmes.

The VCS Committee will meet to make decisions on funding awards in January 2015.

Organisations will be given three months' written notice if their funding is reduced or withdrawn. We expect new funding arrangements to be in place by June 2015 at the latest.

Thank you for taking the time to read this document. We encourage you to tell us what you think using the comments form on the next page.

If you have any questions please email partnerships@islington.gov.uk or phone us on 020 7527 6768.

YOUR COMMENTS

Please type your comments onto this form. You don't have to answer every question and **all boxes expand** to give you enough space for your views.

Once you have completed the form please email it by no later than Friday 15 August 2014 to partnerships@islington.gov.uk.

Name:

Organisation:

Email:

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