

Report of: Executive Member for Community Development

Meeting of:	Date	Agenda item	Wards
Voluntary and Community Sector Committee	30 March 2021		All

SUBJECT: London Community Response Fund – Wave 4 Grants

1. Synopsis

- 1.1. In November 2020 the Government announced the second national lockdown in order to stop the spread of Covid 19 across the country. This had a major impact on voluntary and community sector organisations in Islington working to support residents during the pandemic. Many were forced to close or continue with the crisis response across the borough while adapting to losses of income, reductions in staff and overall changes to how services could be delivered in the community.
- 1.2. The London Community Response Fund launched Wave 4 'Navigating Crisis' grants on the 12 November 2020 offering grants of up to £10,000 to support civil society through the second national lockdown. This wave closed for applications on the 3 December 2020, with many organisations in Islington applying for support through the fund in order to continue to support those most in need during the lockdown.
- 1.3. Islington's Voluntary and Community Sector has played a critical role in Islington's Covid-19 response, in particular, through supporting the borough's food response, ensuring residents could get access to information and maintaining services that enabled residents to maintain social connections.
- 1.4. This paper provides information about the use of £120,000 of funding, sourced from national Test and Trace funding (£70,000) and the Covid Winter Grant Scheme (£50,000) administered by the Department for Work and Pensions. This funding has been allocated to VCS organisations who applied through wave 4 of the London Community Response Fund (LCRF) in order to enable key voluntary and community sector organisations to deliver services during this lockdown.

2. Recommendation

- 2.1. To note, for information, those organisations listed at appendix 1 which have been approved for funding by the council's GOLD group through the London Community Response Fund wave 4.

3. Background

- 3.1. The Coronavirus pandemic has had a significant effect on the voluntary and community sector in Islington with organisations facing considerable losses to income, being forced to close, or having to adapt service delivery in order to continue their work in the community. The support provided to residents during this unprecedented time has proved vital, and the council has been able to work alongside the sector to ensure that residents have access to key services and support throughout the pandemic. This includes access to emergency food provision, mental health services, advice services and support to sustain community action such as work with mutual aid groups.
- 3.2. The voluntary sector has also been fundamental in disseminating key messages to the community on how to keep safe, providing advice on the latest information from Public Health, and in getting information to those communities in the borough who may not have access to key services or communication channels.
- 3.3. Islington Council has been disseminating key information about Covid 19 including funding opportunities through the London Community Response Fund, to the voluntary and community sector throughout the pandemic as many organisations struggle to adapt and remain sustainable during this time.
- 3.4. In order to support the work of the sector during the lockdown, the council allocated £120,000 obtained from national Test and Trace (£70,000) funding and the Covid Winter Grant Scheme (£50,000) administered by the Department for Work and Pensions, to the London Community Response fund to be distributed as part of the wave 4 crisis grants in the borough.

4. Application and Assessment Process

- 4.1. The Voluntary and Community Sector (VCS) Development Team worked closely with London Funders to align the council's funding through the London Community Response Fund website. This meant that organisations could apply just once and have the opportunity to be funded from amongst the range of pooled funders who aligned funding to the London Community Response Fund. A number of organisations in Islington applied for wave 4 funding and were successfully funded from amongst the range of other pooled funders.

- 4.2. Islington's VCS Development team were able to assess and recommend funding for Islington organisations who met the criteria for funding from the LCRF web portal, with due diligence and key initial checks being completed by London Funders. Those that were recommended for funding by the council clearly met the criteria for both the Test and Trace fund and Covid Winter Grant Scheme, which placed emphasis on funding for food (including cooked food), essentials, support to those who may not be reached by public services, and work helping to get key messages about how to stay safe to groups who may be missed by existing communications channels.
- 4.3. This meant that decisions around funding could be made quickly and the funds could then be allocated ensuring that organisations could continue to deliver vital crisis support during the lockdown period.
- 4.4. The 13 recommendations for funding were approved by the council's GOLD group with the Director of Housing and the Head of Communities having oversight of all organisations who met the criteria.
- 4.5. Short-term funding agreements have been established and organisations will be monitored and supported by the VCS Development team during the term of the contract.
- 4.6. In total 13 organisations were recommended and agreed for funding (see appendix 1 for details of organisations and funding amounts).

5. Implications

5.1. Financial Implications

The total cost of the 'London Community Response Fund – Wave 4 Grants' is £119,999. The total cost will be met from the Council's Test and Trace Grant (£70,000) and the Covid Winter Grant Scheme (£50,000).

5.2. Legal Implications

The Council has power to provide grants to voluntary and community sector organisations under the general power of competence set out in section 1 of the Localism Act 2011. The Voluntary and Community Sector Committee is a sub-committee of the Executive and has delegated authority, in Part 5 of the Council's Constitution to 'oversee the Council's engagement with the Islington community and voluntary sector and to ensure value for money and fairness in the allocation of Council resources to the sector' and to 'be responsible for the allocation of the Islington Community Fund including allocating the VCS Partnership Grants Programme.'

Public funding/ support given in Great Britain since 1 January 2021 is no longer subject to state aid law. New rules on subsidy control now apply, which are in many ways closely analogous to EU state aid law. Public authorities are to make a case by case consideration of their proposed subsidy in compliance with the Trade and Cooperation Agreement (TCA) reached between the UK and the EU. The TCA is incorporated into domestic law by virtue of Section 29 of the EU (Future Relationships) Act 2020.

The concept of subsidy subject to the TCA requirements is defined in very broad terms. A subsidy is a measure which:

- a) is given by a public authority (including a local authority)

- b) makes a contribution to an enterprise conferring an economic advantage that is not available on market terms (for example, grants, loans at below market rate, or allowing a company to use publicly owned offices rent free). An enterprise could be a government department or charity if it acts commercially; and
- c) affects international trade

The UK-EU TCA obligations must be met if they apply, and the subsidy must meet the terms of its principles. The TCA sets out principles which all subsidies of more than 325,000 Special Drawing Rights (approximately £350,000) given to a single beneficiary over 3 years must meet.

The only exceptions are subsidies to compensate for natural disasters, subsidies for agriculture and subsidies for audio visual. If in scope, the council must consider these principles in the design and granting of subsidies on a case-by-case basis. Failure to do so could leave the council open to judicial review.

The principles are that the subsidies should:

- i. Pursue a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns ("the objective")
- ii. Be proportionate and limited to what is necessary to achieve the objective
- iii. Be designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of subsidies being provided
- iv. Not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy
- v. Should be an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means
- vi. Subsidies' positive contributions to achieving the objective should outweigh any negative effects, in particular the negative effects on trade or investment between the UK and EU.

The government is seeking views on the best way to design a bespoke approach to UK-wide subsidy control, including any additions to the principles underpinning the regime and any subsidies which should be excluded from the commitments to these principles. It is also seeking thoughts on how best to manage the most distortive kinds of subsidies, in addition to opinions on the role and powers of the independent body that will oversee the regime. The government aims to deliver a subsidy control regime that:

- Facilitates strategic interventions to support government priorities, including supporting the economy's recovery from COVID-19
- Takes account of the economic needs of the UK's individual nations and strengthens the economic bonds of our Union
- Protects the UK's competitive and dynamic market economy and
- Ensures that subsidies in the UK are given in line with our international commitments including those in the UK-EU TCA

The consultation ends on 31 March 2021.

For the avoidance of doubt, the council can still pay out subsidies over previously approved schemes as these will be in line with the principles. This includes subsidies related to COVID-19 that have previously been given under the State Aid Temporary Framework. The council must keep these schemes under review and apply the principles to any changes made to these schemes.

5.3. Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

The distribution of the wave 4 grants have minimal environmental impacts, being limited to those associated with the office use of the staff involved. However, the grants will be used to fund activities such as the provision of food (including cooked meals) and essential supplies to residents. Environmental implications will include the supply chain impacts of the food and products being purchased for distribution, as well as the cooking and distribution of the supplies, both of which will result in energy use and carbon emissions. There will also be food waste generated during the cooking process. To try and mitigate these impacts, the Inclusive Economy Team will supply the local community food projects with details of local traders and suppliers to encourage a shop local approach that supports the local economy and minimises carbon impact.

5.4. Resident Impact Assessment

A resident impact assessment has been completed and included as appendix 2. This highlights the positive impacts for residents and organisations responding to the pandemic in the second national lockdown.

The allocation of grant funding to 13 voluntary sector organisations will enable these organisations to continue to provide vital, crisis-related services to Islington residents most affected by the economic and health impacts of Covid. These organisations deliver an extensive range of services and activities for Islington residents at key geographical locations and across the protected characteristics.

6. Conclusions and Reasons for Recommendation

The Council has a strong partnership with the voluntary, community and not-for-profit sector and values highly the role that local independent organisations play in meeting the needs of some of Islington's most disadvantaged communities.

The Covid 19 pandemic has disproportionately affected many communities and residents in Islington, highlighting the inequality that many experience on a day-to-day basis. The sector has been vital in addressing these inequalities and providing support during the crisis ensuring that some of those most affected have access to food, essentials and key services.

Appendices

Appendix 1: Organisations approved for funding through the London Community Response Fund Wave 4 Grants

Appendix 2: Resident Impact Assessment

Background papers: none

Final report clearance:

Una O'Halloran

Signed by: Executive Member for Community Development

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Appendix 1

Organisations Approved for Funding through London Community Response Fund Wave 4 Grants:

Organisation	Project Description	Amount
Highbury Vale Blackstock Trust on behalf of Caledonian & Barnsbury Mutual Aid Group	Enabling the continuation of the local foodbank.	£7,000.00
The Manna	Daily open-door day centre to offer showers and essential services to homeless people.	£9,800.00
Margins Project	Providing support services to the homeless including food provision.	£9,725.00
Sacred Heart Church	To provide food to those most in need during the lockdown.	£9,880.00
Hanley Crouch Community Association	Ongoing provision of foodbank service.	£10,000.00
Whittington Park Community Association	Providing hot meals delivered to local residents.	£9,495.00
Islington Faiths Forum	Providing Covid support and key messaging to faith sites in the borough.	£4,950.00
Finsbury Park Mosque	Providing food provision and bereavement support in the community.	£10,000.00
Healthwatch Islington	Enabling BAME community and disabled residents to access Covid information in an accessible format.	£9,900.00
Choices CIC	Providing food provision in the community and working with BAME residents.	£9,960.00
Light Project Pro International	To support the local foodbank.	£10,000.00

Hornsey Lane Community Association	To support and develop the local foodbank.	£9,376.00
Highbury Vale Blackstock Trust	Developing a community food hub and wrap around support for families.	£9,913.00
TOTAL		£119,999.00