

**Report of:** Executive Member for Community Development

Meeting of:	Date	Agenda item	Wards
Voluntary and Community Sector Committee	6 <sup>th</sup> July 2020		All

## **SUBJECT: Voluntary and Community Sector Partnership Grants Programme Reviews 2021-2024**

### **1. Synopsis**

- 1.1. The Council's VCS Partnership Grants Programme is a key component of the Council's efforts to support the development of resilient communities and a strong, independent voluntary and community sector.
- 1.2. This programme provides core grant funding to voluntary and community sector organisations in Islington, with an overall fund of £2,696,000 per annum.
- 1.3. The Council's current VCS Partnership Grants Programme started in January 2021, with the Voluntary and Community Sector Team unable to fund in four areas because the application and assessment process concluded without organisations that could provide services in the following areas: Volunteering, Capacity Building, Disability provision and Black Caribbean provision.
- 1.4. In September 2020 the Voluntary and Community Sector Committee approved the recommendation to ring-fence funding of £40,000 per annum for the Capacity Building strand; £35,000 per annum for the Volunteering strand and £30,000 per annum each for a Disability and Black Caribbean offer within the Equalities and Cohesion Networks strand, while reviews were conducted to understand the needs and priorities in each of the four areas.
- 1.5. This report provides an overview of the VCS Partnership Grants Programme 2021-2024 reviews into the Volunteering strand, Capacity Building strand, and Equalities and Cohesion Networks strand for Disability provision and Black Caribbean provision and makes recommendations on the allocation of grant funding across three strands of the VCS Partnership Grants Programme 2021-2024, and recommendations for an alternative use of the funding in one area.

### **2. Recommendations**

- 2.1. To approve the recommendation to provide funding of £40,000 per annum, totalling £110,000 over the programme period July 2021 to March 2024 to deliver against the recommendations of a review of capacity-building as detailed in section 3.6.1 of this report

- 2.2. To approve the recommendation to provide funding of £35,000 per annum, totalling £96,250 over the programme period July 2021 to March 2024 to deliver against the recommendations of a review of volunteering as detailed in section 3.6.1 of this report
- 2.3. To approve the recommendation to provide funding of £30,000 per annum, totalling £82,500 over the programme period July 2021 to March 2024, within the Equalities and Cohesion Networks strand to support a disability focussed network as detailed in section 3.6.2 of this report.
- 2.4. To agree the proposal to provide funding of £30,000 per annum, totalling £82,500 over the programme period July 2021 to March 2024, to be used to work with Islington’s Black Caribbean community, with the aim of developing a programme of capacity-building support to establish a formalised group of community representation, as detailed in section 3.6.2 of this report.

### 3. Background

- 3.1. The Council, across all departments currently spends £44 million with the borough’s VCS partners. £2,696,000 of the Council’s £44 million spend is allocated through the Council’s VCS Partnership Grants Programme 2021-2024, a programme that provides core funding to strategic VCS partners. This programme was designed around the Council’s Voluntary and Community Sector Strategy 2016-2020 and the council’s priorities around the Fairer Together Partnership. The funding provides the foundation for a strong, vibrant, and independent VCS in the borough.
- 3.2. In the current programme (VCS Partnership Grants Programme 2021-2024) funding was available in the following strands:
  - Delivery
  - Community Hubs
  - Advice and Navigation
  - Equalities and Cohesion Networks
  - Capacity Building
  - Volunteering
- 3.3. In September 2020, the Voluntary and Community Sector Committee approved the recommendation to ring-fence funding in four areas where the application and assessment process concluded without an organisation that could provide services in the areas of Volunteering, Capacity Building and Equalities and Cohesion Networks (Disability and Black Caribbean provision)

#### **Funding Retained and Ring Fenced for VCS Partnership Grants Programme 2021-2024:**

<b>Strand</b>	<b>Grant Total (per annum)</b>	<b>Total for Duration of Grant Period (1 July 2021 – 31 March 2024)</b>
<b>Equalities and Cohesion Networks</b>	£30,000 Disabilities offer £30,000 Black and Minority Ethnic offer	£82,500 £82,500
<b>Capacity Building</b>	£40,000	£110,000
<b>Volunteering</b>	£35,000	£96,250
<b>Total</b>	<b>£135,000</b>	<b>£371,250</b>

- 3.4. Reviews were conducted to understand the needs and priorities of the sector in these areas and also to reflect the changing needs and priorities in light of the Covid-19 pandemic and responses to the Black Lives Matter movement.
- 3.5. The reviews were due to be conducted in November 2020 but due to the second national lockdown it was felt that it would not be appropriate for the sector to be involved in reviews while responding to the pandemic, so the decision was made to delay these until February 2021. Two reviews took place in-house, led by the VCS Development Team and two were conducted by an independent organisation who undertook reviews into the volunteering and capacity-building needs of the borough.
- 3.6. An overview of each review is provided below:

3.6.1. The **Volunteering and Capacity Building** reviews were conducted by Locality, as detailed in the evaluation report as Appendix 2. A mixed methods approach was taken to gather data and insights for the review. This involved four workshops with semi-structured questioning and a survey for the sector in the borough. The survey combined closed questions (to provide quantitative data on VCS needs) with open questions, which enabled organisations to share their experiences in their own words. In total the research drew on insights from 52 voluntary and community organisations in Islington.

Following the review, a report was produced by Locality which was used to form the criteria and requirements for the new prospectuses for the Volunteering and Capacity Building strands of the grants programme.

The funding opportunities were opened up to the sector on 19 April 2021 and were promoted through Voluntary Action Islington so that the wider sector would be made aware. It was also placed on Islington Council's website. The deadline for applications was 7 May 2021.

A total of two applications were received for the Capacity-building strand of funding and three for the Volunteering strand.

The applications were assessed by the VCS Development Team based on the criteria outlined in each of the prospectuses.

The recommendation is to award funding to Voluntary Action Islington (VAI) for both the Volunteering and Capacity Building strands. VAI were the highest scoring applicant against the grant criteria in both of these strands.

3.6.2. The **Disability** provision review was conducted by the VCS Development Team, as detailed in the evaluation report as Appendix 3. A mixed methods approach was taken to gather data and insights for this review. This involved two workshops and a survey sent out to the sector in the borough. In total, the review drew on insights from 25 voluntary and community organisations in Islington.

Following the review, a report was produced and the findings were used to update the prospectus for Disability provision within the Equalities and Cohesion Networks strand.

The funding opportunity was opened up to the sector on 19 April 2021 and was promoted through Voluntary Action Islington so that the wider sector would be made aware. It was also placed on Islington Council's website. The deadline for applications was 7 May 2021.

A total of three applications were received for this strand. The applications were assessed by the VCS Development Team based on the criteria in the prospectus.

The recommendation is to award funding to Disability Action in Islington who scored the highest against the award criteria and proposed a borough-wide offer to support residents across all disabilities.

3.6.3. The **Black Caribbean** provision review was conducted by the VCS Development Team working alongside the Fairness and Equality team, findings are detailed in the evaluation report as Appendix 4. A mixed methods approach was taken to gather insight and data. This involved a workshop with the voluntary and community sector, a survey sent to the wider sector and a focussed discussion with a previously funded provider delivering support to the Black Caribbean community in Islington.

The workshop was hosted on Zoom on 24 February 2021, attended by seven participants representing a variety of VCS organisations including funders, youth providers, community hubs, support for families and mental health services. A total of seven responses to the survey were received.

Analysis of the range of views and information collated have provided a detailed and interesting insight into some of the challenges, issues and opportunities for the Black Caribbean community in Islington but also the voluntary and community sector as a whole.

The recommendation proposed following the review is for the ring-fenced funding of £30k per annum to be used to work with Islington's Black Caribbean community, with the aim of developing a programme of capacity-building support to establish a formalised group of community representation.

This is because the outcome of the review highlighted that at present there isn't an established organisation or network in the borough responsible for championing and serving the Black Caribbean community as a whole. Supporting this community is a key objective of Islington's Challenging Inequality Programme.

The implications of this approach are as follows:

- The VCS Development team can work creatively with colleagues in the Fairness and Equality team to understand what the most appropriate means is of supporting the voluntary and community sector in its work with the Black Caribbean community, following the findings of the wider engagement work currently taking place.
- Insight from this wider work will enable the council to better understand if there is an existing coalition or network which can bring together organisations working with Black Caribbean residents in the borough, or appetite to establish a new one,

with the VCS Development team providing support for any capacity-building needs organisations may have.

- It will also allow learning to be shared for how we work with residents coming out of the pandemic. Many organisations have adapted or changed the way they work in the community because of the challenges in the last year and this has resulted in innovative and creative approaches to working with residents. It will be important to reflect on this and consider how we can best support the voluntary and community sector to tackle inequality, address racism and support residents moving forward.

### 3.7. **Application and Assessment Process**

The VCS Development Team conducted assessments of the applications received in the Volunteering, Capacity Building and Disability strands. The team have made recommendations to fund 3 organisations, 1 per strand.

### 3.8. **Applications Summary**

The applications received break down into the following areas:

<b>Strand</b>	<b>Total received</b>	<b>Not Recommended for Funding</b>	<b>Recommended for Funding</b>
<b>Capacity Building</b>	2	1	1
<b>Volunteering</b>	3	2	1
<b>Disability</b>	3	2	1
<b>Total</b>	<b>8</b>	<b>5</b>	<b>3</b>

- 3.9. The three applications recommended for funding were received from two organisations that currently receive funding.
- 3.10. Details of those organisations that are being recommended for grant funding through the VCS Partnership Grants Programme 2021-2024 in each of the three areas can be found in Appendix 1.
- 3.11. Once the recommendations have been formally agreed, all organisations will be notified in writing to confirm the decision and the level of funding agreed (where applicable). Organisations will then be required to develop an annual delivery plan before a grant agreement is issued.
- 3.12. There will be a support package made available to organisations not being recommended for funding which will include:
- Detailed feedback about applications, available upon request
  - Access to training opportunities/sessions – Including writing funding applications
  - Details of alternative funding available

### 3.13. Monitoring Arrangements

To ensure that the commitments made within any established grant agreements and applications are developed and actioned, regular monitoring and partnership meetings will be held throughout the duration of the grant programme.

## 4. Implications

### 4.1. Financial Implications

The Council seeks to provide funding to VCS organisations to a total of £2,696,000 per year over the financial years: 2020/21, 2021/22, 2020/23, and 2023/24. The reduction in the length of the 2020-2024 VCS grants programme does not have an impact on the amount of money paid out in any one of the financial years as the 2016-2020 programme was extended to cover the shortfall for the same amount. Of the £2,696,000 funding per year available for VCS organisations to bid for as part of the 2021-2024 VCS grants programme, the grant recommendation report submitted to VCS Committee on 8th September 2020 recommended £2,641,000 per annum (pro rata FY20/21) be awarded and that £135,000 be retained for future awards in the areas of equalities and cohesion, capacity building, and volunteer support activities.

Maintaining the Council's existing financial commitment of £2,696,000 per annum to the VCS Partnership Grants Programme requires continued funding of £119,000 from the CCG. An agreement has been reached between the Council and the CCG to commit to this funding arrangement for the duration of the 2021-2024 programme.

- The recommendations to fund an additional £135,000 per annum for equalities and cohesion networks, capacity-building, and volunteering activities will result in a total financial commitment of £2,776,000 per annum. The cost of this will partly be met from not committing the full £2,696,000, with £55,000 per year earmarked for these activities. The remaining £80,000 per year required will be found from retained underspends from the FY2016-20 programme. There is sufficient retained underspend to cover this commitment.

Due to the review in determining suitable partners for the Equalities and Cohesion Networks, Capacity-building, and Volunteering Programmes and sufficient underspends existing in the VCS budgets, it was not necessary to draw down money from the earmarked reserves in FY20/21. In addition, it was not possible to find a suitable partner for the Black and Minority Ethnic Offer resulting in less of a draw down on the earmarked reserves in FY21/22. The table below presumes that the full amount of £135k for Equalities and Cohesion Networks, Capacity-building, and Volunteering Programme payment is paid out in FY21/22, factoring in the potential for back payments to partner organisations.

It is intended that grant commitments will be protected for a 3.25 year period although the awards will be issued with a mid-programme review as per the last grants programme. The Council's MTFP currently incorporates a continuation of the scheme as proposed. This is subject to ongoing Council wide savings discussions.

The table below displays the additional money requested in the recommendations, where the funding is coming from, remaining funding, and the number of allocations in the FY21-24 period. Please note that the proposed allocations range in funding size from £10,000 to £450,000.

#### Financial Year

<b>Programmes:</b>	20/21	21/22	22/23	23/24	Total:
<b>2021-24 Grants Programme recommended grant awards</b>	£ 660,250	£2,641,000	£2,641,000	£2,641,000	£ 8,583,250
<b>Equalities, Cohesion, Capacity, and Volunteer Programme</b>	£ 33,750	£ 135,000	£ 135,000	£ 135,000	£ 438,750
<b>Total Cost</b>	£ 694,000	£2,776,000	£2,776,000	£2,776,000	£ 9,022,000
<b>Funding sources:</b>					
<b>Core Funding</b>	-£ 644,250	-£2,577,000	-£2,577,000	-£2,577,000	-£ 8,375,250
<b>CCG Funding</b>	-£ 29,750	-£ 119,000	-£ 119,000	-£ 119,000	-£ 386,750
<b>Retained Underspends/ Earmarked Reserves</b>	-£ 20,000	-£ 80,000	-£ 80,000	-£ 80,000	-£ 260,000
<b>Total Funding:</b>	-£ 694,000	-£2,776,000	-£2,776,000	-£2,776,000	-£ 9,022,000

## 4.2. 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.

#### **4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

The grant programme in itself has 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 that are likely to have a range of environmental impacts, most of which will have resulting carbon emissions. These include energy and water use in buildings, the purchase of goods with supply chain impacts and the generation of waste.

#### **4.4 Resident Impact Assessment**

A resident impact assessment has been completed (Appendix 5) to understand the impact of the grants programme on residents in the borough, particularly those with protected characteristics. The grants programme aims to support the overarching Council priorities of addressing inequality, promoting community cohesion and supporting the most vulnerable residents.

Key highlights from the resident impact assessment are detailed below:

- Within the Equality and Cohesion Networks strand, ring-fenced funding is being recommended to support a pan-disability organisation working across the borough to support residents with disabilities.
- Within the Equality and Cohesion Networks strand for Black Caribbean provision it is being recommended that £30k per annum be used to work with Islington's Black Caribbean community, with the aim of developing a programme of capacity-building support to establish a formalised group of community representation.
- Funding is being recommended to an organisation working with a range of Voluntary and Community Sector organisations across the borough to support them to build their capacity in order to best support residents across a range of protected characteristics.

### **5. 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 VCS Partnership Grants Programme 2021-2024 builds on the overarching aim of the Council's work with the VCS to support the Council priority of making Islington a fairer place and the ambitions we have for our community through the Fairer Together programme.

## Appendices

- Appendix 1: Organisations recommended for funding through the VCS Partnership Grants Programme 2021-2024 review
- Appendix 2: Volunteer and Capacity Building review report
- Appendix 3: Disability provision review report
- Appendix 4: Black Caribbean review report
- Appendix 5: Resident Impact Assessment

**Background papers:** none

**Final report clearance:**



**Signed by:** Executive Member for Community Development

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