

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

Meeting of:	Date	Agenda item	Ward(s)
Voluntary and Community Sector Committee	16 <sup>th</sup> June 2016		All

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## **SUBJECT: Islington VCS Partnership Grants Programme 2016-2020**

### **1 Synopsis**

- 1.1** In November 2015 the VCS Committee ratified the Council's VCS strategy, "*Towards a Fairer Islington: Voluntary & Sector Strategy 2016 – 2020*" (Appendix 1). The strategy recognises the considerable contribution that the voluntary and community sector makes to supporting local residents and articulates a new approach to the Council's work with the sector, one based on much closer collaboration and partnership working with organisations, whether they receive grant funding or not. Towards a Fairer Islington re-emphasised the Council's ongoing commitment to providing core grant funding to VCS organisations to deliver a range of activities and services that improve outcomes for local residents; and that can help build resilience and capacity across the sector.
- 1.2** In January 2016 the VCS Committee agreed proposals for a new VCS Partnership Grants Programme 2016-2020, to replace the Islington VCS Grants Fund and Advice Fund. Grants awarded through the fund will contribute towards the core costs of strategically important local organisations. Grants will be awarded on a two plus two year basis across five programme strands:
- 1) Strategic Partners – Borough-wide Infrastructure
  - 2) Strategic Partners – Neighbourhood
  - 3) Delivery Partners
  - 4) Strategic Partner – Volunteering; and
  - 5) Strategic Partners – Advice
- 1.3** Despite the difficult financial challenges faced by the Council, Council agreed to maintain the existing levels of expenditure in the VCS Grants Fund (£1,163,200) and Advice Fund (£1,165,000) which totalled £2,328,200 per annum. In line with the strategy's aspiration to bring together funding programmes from across the council, an additional £367,800 from Housing and Adult Social Services and Islington's Clinical Commissioning Group has been secured for the VCS Partnership Grants Programme 2016-2020, resulting in an overall VCS Grants Fund of £2,696,000.

- 1.4 The VCS Partnership Grants Programme was launched on January 15<sup>th</sup> 2016, with a deadline for applications of March 4<sup>th</sup> 2016. A total of 97 applications were received from 81 individual organisations and one consortium, requesting a total of £4,506,774.99. The recommendations in this report would result in grant allocations to 43 organisations and one consortium, to the value of £2,554,000 per annum.
- 1.5 Following an analysis of the proposed portfolio, including ongoing equality assessments and a Resident Impact Assessment (Appendix 2), it is recommended that £140,000 of funding is retained to address identified gaps in provision in order to ensure that the portfolio of grant funded organisations can address the strategic priorities outlined in the VCS Strategy. This would result in a final allocation of £2,694,000 per annum.
- 1.6 This report provides an overview of the VCS Grants Programme outlining the programme structure, the competitive application and assessment processes, and makes recommendations on the allocation of grant funding across the five strands of the VCS Partnership Grants Programme 2016-2020. It also highlights future grant management arrangements and areas of further development across the portfolio.

## **2 Recommendations**

- 2.1 To agree the proposed VCS Partnership Grants Programme Awards across the five programme strands as set out in Section 9 and appendix 3 of this report.
- 2.2 To agree the proposal to retain funding of £140,000 to respond to identified gaps in the VCS Partnership Portfolio in order to support the delivery of the VCS Strategy as highlighted in section 9 of this report.

## **3 Background**

- 3.1 Since August 2014, and to help the council develop its thinking around future support for local voluntary organisations, the council held a series of consultation events with the Voluntary and Community Sector, other public sector bodies and potential future investment partners. This work led to the development of a new VCS strategy for Islington. *“Towards a Fairer Islington: Voluntary & Community Sector Strategy 2016 – 2020”*. The Council’s Voluntary and Community Sector Strategy 2016-2020 was agreed at VCS Committee in November 2015.
- 3.2 At a time when central government is cutting funding for public services and cutting welfare benefits for those out of work and in work, the Strategy recognises that the need for a strong, resilient, independent voluntary and community sector, able to respond to the needs of Islington’s residents, is greater than ever. The strategy recognises the key role that the sector will have over the next four years in:
  - Addressing and preventing deeper complex social issues and long-term challenges that affect our residents
  - Supporting residents to be independent and resilient
  - Promoting community cohesion and championing equality
  - Supporting neighbourhoods and communities to grow
  - Providing or sign-posting residents to appropriate, high quality advice and guidance
- 3.3 The strategy identifies four ways in which the Council will continue to support the sector and its work in meeting the needs of residents:

- **Funding:** including partnership grants and small grants programmes, a bespoke training and capacity building fund, and discretionary rate relief.
- **Commissioning and procurement:** Commissioning organisations to deliver services, and ensuring social value is included in our approach to commissioning.
- **Premises:** developing a borough-wide premises strategy that maximises the use of our buildings, and enables organisations to share premises, reduce costs and maximise income generation.
- **Working strategically with key partners:** to build the capacity of the sector, promote volunteering, support fundraising, establish networks, maximise our collective impact in neighbourhoods, and ensure a coordinated whole-Council approach to the VCS

## 4 The Islington VCS Partnership Grants Programme 2016-2020

4.1 At its meeting in January 2016, Islington's VCS Committee agreed recommendations to provide funding for VCS organisations through the VCS Partnership Grants Programme 2016-2020. The grants programme aims to support organisations that can deliver the strategic priorities set out in the VCS Strategy. Funding will be provided to successful organisations on a two plus two year basis, across the following strands:

- 1) Strategic Partners – Borough-wide Infrastructure
- 2) Strategic Partners – Neighbourhood
- 3) Delivery Partners
- 4) Strategic Partner – Volunteering; and
- 5) Strategic Partners – Advice

The two plus two year basis for grant awards will see a formal review period for all organisations that receive funding to ensure that the commitments made within any established grant agreements are satisfactorily upheld. It also aims to ensure that the Council can respond flexibly to changes in funding arrangements from central government and increases or decreases in the availability of grant funding at a local level over the next four years.

### 4.2 Strategic Partners - Borough-wide Infrastructure

This strand of the grants programme supports strategic borough-wide organisations with the necessary expertise and capacity to provide leadership to Islington's voluntary and community sector, in line with the priorities outlined in the VCS Strategy. Funded organisations are expected to:

- Provide strategic leadership for the sector
- Ensure that Islington's voluntary and community sector has skills and knowledge needed to sustain and grow
- Ensure that Islington's voluntary and community sector can compete for funding and is financially secure
- Ensure that Islington's voluntary and community sector maximises the use of its resources

### 4.3 Strategic Partners – Neighbourhood

This strand of the grants programme supports strategic neighbourhood partners that work with other voluntary and community sector organisations and mainstream services to develop, deliver, coordinate and sustain a high quality offer of neighbourhood-based services and activities. Funded organisations are expected to:

- Provide strategic leadership within the local community

- Coordinate a coherent and engaging neighbourhood-based offer of services and activities for local residents
- Ensure that local community facilities and assets are utilised to their full potential
- Attract external funding that can facilitate delivery in the local community

#### **4.4 Delivery Partners**

This strand of the grants programme supports organisations that work directly with residents to improve outcomes and quality of life. Grants will be awarded to organisations that have engaged with residents and communities, undertaken effective community profiling and developed high quality services or activities that meet identified need. Organisations funded under this strand are expected to:

- Work with residents to tackle complex social issues and long-term health challenges
- Support residents to be more resilient and independent
- Promote cohesion, reduce inequalities and champion the needs of Islington's diverse communities
- Support neighbourhoods and communities to develop and grow

#### **4.5 Strategic Partners - Volunteering Brokerage**

This strand of the grants programme supports strategic partners to provide a borough-wide volunteering brokerage service and support Islington's VCS organisations to manage volunteers effectively. Organisations funded under this strand are expected to:

- Provide strategic leadership to promote volunteering in Islington's voluntary and community sector
- Create high quality volunteering opportunities within Islington's voluntary and community sector
- Work with VCS partners and local businesses to ensure that Islington's voluntary and community sector capitalises on corporate volunteering programmes
- Work with the council, VCS and other key partners to ensure Islington's Voluntary and community sector provides pathways into employment for Islington residents

#### **4.6 Strategic Partners – Advice:**

This strand of the grants programme supports registered advice and guidance organisations to apply new working practices to provide a coherent and seamless advice system that supports Islington residents in line with the Islington Advice Model (Appendix 4), this programme comprised of six distinct strands:

- Access and outreach
- Primary access channel
- Detailed triage service and initial advice
- Generalist advice
- Targeted specialist advice and legal support for excluded population groups
- Specialist advice and litigation

## **5 Budget**

**5.1** At its meeting in January 2016, the VCS Committee agreed to maintain grant funding for the VCS in line with existing spending levels, resulting in a core budget of £2,328,200. Of this £1,165,000 was allocated to the VCS Advice Grants Programme and £1,163,200 to the VCS Grants Programme.

**5.2** A key objective of the Council's VCS Strategy was to establish a corporate approach to the Council's work with VCS in order to align grant and commissioning processes and

reduce duplication in monitoring arrangements. As a result Housing and Adult Social Services and Islington's Clinical Commissioning Group, have contributed funding of £367,800 to the VCS Partnership Grants Programme 2016-2020, resulting in an overall VCS Grants Fund of £2,695,800.

5.3 The following indicative budget levels were allocated across each of the strands within the VCS Partnership Grants Programme as follows:

- **Borough wide Partners:** Up to £210,000
- **Neighbourhood Partners:** Up to £525,000
- **Delivery Partners:** Up to £400,000
- **Volunteering Partners:** Up to £40,000
- **Advice Partners:** £1,406,000

## 6 Launch and Application Process

6.1 The VCS Partnership Grants Programme was launched on January 15<sup>th</sup> 2016, with a deadline for applications of March 4<sup>th</sup> 2016. Information, including the prospectuses, application forms and answers to frequently asked questions were uploaded to the Voluntary and Community Sector webpages of Islington Council's website.

6.2 Information on the programme was communicated through the Council's Twitter feed, to every organisation that received grant funding between 2011 and 2015, and through the networks of Islington Council's VCS partners. Six 'Question and Answer' sessions with a minimum of one for each of the programme strands, were organised by Islington Council's VCS Team, over 70 people attended these events. Sign language interpretation was provided at two of these events.

## 7 Applications Received

7.1 The VCS Partnership Grants Programme 2016-2020 was heavily oversubscribed. Across all programme strands a total of 97 applications were received from 81 individual organisations and 1 consortium, requesting a total of £4,506,774.99 against a budget of £2,696,000 (see Table 1).

Table 1: Number of applications received and total requested by grants strand

Strand	No. of Applications	Total Requested	Available
<b>Borough-wide</b>	11	£438,725.38	£170,000 - £210,000
<b>Delivery</b>	53	£959,318.63	£320,000 - £400,000
<b>Neighbourhood</b>	14	£814,000	£475,000 - £525,000
<b>Volunteering</b>	2	£80,000	£30,000 - £40,000
<b>Advice</b>	17 (8 orgs & 1 consortium)	£2,248,730.98	£1,406,000
Strand 1 - Access & Outreach)	2	£250,000	£200,000
Strand 2 - Primary Access Channel)	4	£132,812	£50,000
Strand 3 - Triage)	4	£185,000	£100,000
Strand 4 - Generalist)	3	£742,134	£350,000
Strand 5 - Targeted Specialist)	3	£388,784.98	£250,000
Strand 6 - Specialist)	1	£550,000	£550,000
<b>Total Applications</b>	<b>97</b>	<b>£4,560,774.99</b>	

## 8 Assessment Process

8.1 The assessment process for the VCS Partnership Grants Programme was run in two stages.

**8.2** At each stage in the process, officers assessed recommendations in line with the Council's equalities objectives and the need to establish a balanced and diverse portfolio working with different sections of the community and across the borough's wards.

### **8.3 Stage One Assessment**

**8.3.1** In the first stage, applicants were invited to submit a written application in response to the published prospectuses and application forms.

**8.3.2** All applications were independently assessed by a minimum of three Council officers, with the same officers assessing all applications within a given strand.. Assessments were made against the minimum criteria outlined in the prospectuses and in line with six scoring matrices established for each grant strand. Applicants' responses to each of the criteria within the scoring matrix (under the headings 'Finance', 'Proposal', 'Beneficiaries and Equalities', 'Our Priorities', 'Risks, Monitoring and Evaluation', and 'Past Performance and Operations') were rated on a scale of 1 to 5.

**8.3.3** Across all of the grants strands, answers to each section of the application form were weighted as follows:

- **Finance:** Up to 10% of overall score (including the organisation's ability to attract resources, levels of reserves held, plans to diversify income)
- **Proposal:** Up to 25% of overall score (the outcomes, activities, vision and rationale outlined by the applicant)
- **Beneficiaries and Equalities:** Up to 25% of overall score (the target group identified by the organisation and responsiveness of the organisation's services to the needs of the community served)
- **Our Priorities:** Up to 25% of overall score (the way in which the organisation responded to the priorities identified in the prospectuses and Council's VCS Strategy – as outlined above)
- **Risks, Monitoring and Evaluation:** Up to 5% (the organisations proposals to manage and mitigate risks, and its proposals for monitoring and evaluation)
- **Past Performance and Operations:** Up to 10% of overall score

**8.3.4** Moderation meetings were held with assessors for each strand. All of the scores of individual officers were aggregated to identify an overall average score for each application. The applications under each strand were then ranked in order to establish a shortlist of organisations to progress to the second stage of assessment. All organisations were contacted on 9th May to notify them of the outcome of the first stage of assessment.

**8.3.5** All organisations that were not shortlisted, and that requested feedback on their application, were offered a face-to-face or telephone meeting.

### **8.4 Stage Two Assessment**

**8.4.1** In the second stage of the assessment, officers met with shortlisted applicants between 12th May and 31st May. These meetings, in the majority held at the organisations offices, provided the assessment officers with the opportunity to discuss applications in more detail and highlight any areas that need further development of clarification before funding recommendations were established.

- 8.4.2** Organisations were encouraged to provide any additional information or points of clarification within one working week in order to support their application for funding and enable officers to make final recommendations for funding.
- 8.4.3** Prior to final recommendations being proposed, a full Resident Impact Assessment was undertaken by officers.

## 9 Funding Recommendations and Key Issues

- 9.1** Details of recommendations for funding for each strand are outlined in appendix 3. These recommendations would result in grant awards to the value of £2,554,000 per annum across the five strands of the programme as summarised in Table 2:

**Table 2: Summary of funding recommendations by strand**

<b>Strand</b>	<b>No. of Organisations</b>	<b>Total Recommended Funding</b>
<b>Borough-wide</b>	6	£170,000
<b>Delivery</b>	21	£365,000
<b>Neighbourhood</b>	12	£570,000
<b>Volunteering</b>	1	£35,000
<b>Advice</b>	5 (4 orgs & 1 consortium)	£1,414,000
Strand 1 - Access & Outreach	1	£219,000
Strand 2 - Primary Access Channel	1	£50,000
Strand 3 - Triage	4	£100,000
Strand 4 - Generalist	3	£350,000
Strand 5 - Targeted Specialist	2 (1 org & 1 consortium)	£245,000
Strand 6 - Specialist	1	£450,000
<b>Total Applications</b>	<b>97</b>	<b>£2,554,000</b>

- 9.2** Throughout the process officers have assessed the quality of submissions against set criteria. These criteria aim to establish and support the development of a diverse portfolio of organisations that operate across the borough, and that is able to deliver against the priorities identified in the VCS Strategy.
- 9.3** Officers have undertaken on-going equalities impact assessments and a Resident Impact Assessment (RIA) examining the proposed impact of recommendations in relation to the protected characteristics identified within the Equalities Act 2010; Age; Disability; Gender Reassignment; Marriage and Civil Partnerships; Race; Religion and Belief; Sex and Sexual Orientation. See Appendix 2.
- 9.4** In summary, the RIA has highlighted a number of areas where recommendations are expected to improve outcomes for key target groups and specifically address current gaps in the existing VCS Grants Fund portfolio. In particular the proposed portfolio will result in an increase in grant funding for organisations that work directly with our most vulnerable residents and specifically sees an increase in funding for organisations that target support at women, LGBT residents, direct delivery of services for residents with disabilities and young people.
- 9.5** In addition to these positive developments, the RIA and an analysis of the proposed portfolio against the priorities set out in the VCS strategy has identified a number of gaps in provision in geographical and thematic areas. This is in part because applications were either not received that responded to key areas, or those that were received, did not meet the minimum shortlisting criteria.

**9.6** This has resulted in gaps in the following areas:

- Disabilities: The proposed grant allocations to organisations across the delivery, neighbourhood and advice strands provides funding for organisations providing direct services and activities for people with disabilities. However, there remains a gap in the portfolio for organisations led by disabled people that provides strategic borough wide leadership and voice for residents with disabilities. Disabled people continue to face considerable challenges in relation to health, employment and welfare benefits. Therefore this gap also needs to be considered in the context of services that are commissioned to address these challenges.
- Elders: The proposed grant allocations to organisations across the delivery, neighbourhood and advice strands provides funding for organisations providing direct services and activities for elders. However at a strategic borough wide level there is a gap in the portfolio that facilitates Elder led leadership and voice.
- Interfaith work and Tackling Hate Crime: An analysis of the proposed portfolio indicates that there is a significant gap at a strategic borough wide level in terms of leadership of inter-faith work. Given the rising levels of faith based hate crimes in the borough there is a clear need to support a leadership function which can facilitate and support work at a local level to promote community cohesion and develop collective responses to tackle rising levels of faith based hate crime.
- Caledonian Ward: Given the high levels of deprivation in the Caledonian ward, the VCS strategy identifies the area as a focus for support. However the area does not currently have the same levels of VCS infrastructure at both a strategic neighbourhood or delivery partner level as other parts of the borough. As a result a bespoke intervention co-produced with corporate and community partners is recommended in Caledonian Ward.

**9.7** Given the aims of the VCS Partnership Grants Programme and the priorities identified within the VCS Strategy, it is recommended that £140,000 of funding is retained to support and facilitate work in these areas. This recommendation would bring the overall level of investment through the VCS Grants Programme to £2,694,000 per annum.

## **10 Next Steps**

**10.1** As part of the Council's commitment to the Islington Compact all organisations currently receiving funding require a minimum of three months' notice of any changes to future grant levels. In order to provide clarity for the sector, and in recognition of the significance of VCS Grants funding for many organisations, it was decided not to issue notice of the end of current grant agreements until the outcomes of the VCS Grants Programme 2016-2020 were decided.

**10.2** Subject to approval of the recommendations all organisations currently receiving grant funding and have had extension to their existing grants agreements will be informed that their current grant agreement will draw to a close on 30<sup>th</sup> September 2016. All organisations approved for funding will be informed that their new grant agreement will start on 1<sup>st</sup> October 2016.

**10.3** Organisations recommended for funding will be required to sign grant agreements which will detail the six-monthly monitoring arrangements and conditions associated with the grants. Quarterly payments of grants will be conditional upon organisations upholding the conditions of the grant agreement.



**10.4** In June and July officers from the VCS Team and other relevant Council departments will draw up specifications to address the gaps in provision as identified in 9.6. It is envisaged that these additional grant agreements will begin on 1<sup>st</sup> October 2016 in line with the main VCS Partnership Grants Programme.

**10.4.1** As detailed in the VCS strategy, The VCS Development team will work with VCS partners, in particular the organisations funded through strands 1 and 2 to try and secure additional external funding where possible in order to strengthen the role and work of the organisations funded through the programme and the wider VCS. Similarly the corporate premises strategy aims to ensure greater parity in terms of premises arrangements for our VCS partners ensuring that funding is targeted at service delivery rather than premises costs.

## **11 Implications**

### **11.1 Financial Implications:**

As outlined above commitment to the proposed grant allocations and retained funding would result in a financial commitment of £2,694,000 per annum until 31<sup>st</sup> March 2020, against a budget of £2,696,000 per annum.

### **11.2 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 provision of these grants is likely to be associated with state aid. The council can provide state aid in relation to 'services of general economic interest' (SGEI) as detailed in Article 106(2) of the Treaty on the Functioning of the European Union and Schedule 3 paragraph 4 of the Competition Act 1998.

Aid of up to €500,000 (approximately £407,675) may be provided to an organisation for SGEI so long as that organisation has not received de minimis aid from any other source in the last three fiscal years which would result in the total de minimis aid to that organisation exceeding the €500,000 (Commission Regulation No 360/2012, the "de minimis Regulation").

In the event that an organization has received other de minimis aid that takes it over the threshold of £407,675, there is an alternative regime for SGEI exemption for high value compensation that may be used. This was established by Commission Decision (2012/12/EU, the "Decision") that came into force on 31 January 2012. Should this be necessary the detailed rules on calculation of cost and record keeping and reporting set out in the Decision will need to be complied with. In agreeing the recommended grant levels as proposed in the report the total value of grant provided to each organization over the extended period needs to be calculated in order to ensure compliance with the SGEI requirements as appropriate.

The council must also ensure that it complies with its duty to secure best value (Section 3 of the Local Government Act 1999)

### **11.3 Environmental Implications**

There are no environmental implications associated with the delivery of the VCS Partnership Grants Programme.

## 11.4 Resident Impact Assessment:

**11.4.1** A primary focus of “Towards a Fairer Islington: Voluntary & Community Sector Strategy 2016 - 2020” which the Partnership Grants Programme aims to support the delivery of is addressing inequality, promoting community cohesion and supporting our most vulnerable residents.

**11.4.2** A key aim of the VCS Partnership Grants Programme 2016-2020 is to provide core funding to voluntary and community sector organisations working across Islington’s diverse communities. The fund seeks, not only to pay due regard to the aims of the equality duty, but to actively support a portfolio of organisations that can pro-actively address structural inequalities within the borough. A Resident Impact Assessment has been completed and is attached as Appendix 2.

## 12 Conclusion and reasons for recommendations

**12.1** The current VCS Grants Fund and Advice Fund, part of the Islington Community Fund have provided a valuable resource to the voluntary and community sector since 2011. The end of these funding arrangements provides an opportunity for the Council to think afresh about how it wants to support the sector to help deliver against Council’s priorities and the Council’s VCS Strategy.

**12.2** The recommendations in this report reflect the priorities and services outlined in “*Towards a Fairer Islington: Voluntary & Community Sector Strategy 2016 - 2020*” and the Advice Review which identifies how and where VCS organisations can add real value and support the council in taking forward its ambitions to promote a fairer Islington.

### Final report clearance:

Signed by:



7<sup>th</sup> June 2016

**Received by:** Executive Member for Economic and Community Development Date

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### Appendices

Appendix 1 Towards a Fairer Islington VCS Strategy 2016-2020.

Appendix 2 Resident Impact Assessment

Appendix 3 VCS Partnership Grants Programme: Funding Recommendations

Appendix 4 Islington Advice Model