

Agenda Item No: 9.7

Report Title: Voluntary Sector Support

Report To: Cabinet **Date:** 5 February 2018

Cabinet Member: Cllr Tony Nicholson

Ward(s) Affected: All

Report By: Nazeya Hussain, Director of Regeneration and Planning

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Purpose of Report:

1. The purpose of this report is to report on the performance of those voluntary organisations funded by the Council in 2017/18 and for Cabinet to agree the Council's policy on grants to voluntary organisations and the levels of grant funding for 2018/19.

Officers Recommendations:

2. To consider any recommendations arising from the Scrutiny Committee's consideration of the report on 18 January 2018.
3. To approve the proposed policy on Grant funding to voluntary organisations in the Lewes District as set out in paragraph 12.
4. To agree grant funding for 2018/19 as set out in the table at paragraph 39 and note the proposed funding for 2019 to 2022 to be offered subject to performance and the availability of funds to be confirmed annually.
5. To note the arrangements for grant agreements set out in paragraph 16 and agree the proposal that these be reviewed annually to ensure the Council receives best value for the grants awarded.
6. To agree that an additional sum of £8,135 from the Housing Revenue Account (HRA) be added to the annual payment to the Lewes District Citizens Advice Bureau for the provision of Specialist (Money and Benefits) Advice to Council tenants and that this form part of the Grant to that organisation in future years.
7. To agree the approach set out in paragraph 38 to allocation of the additional £30,000 for voluntary organisations to mitigate risks raised by the roll-out of Universal Credit.

Reasons for Recommendations

8. The Council may choose to give grants to voluntary organisations subject to delivery of agreed activities and outcomes. The Council funds a small number of strategic voluntary sector organisations which provide a range of essential services to our residents which address key Council priorities. The proposed policy set out in this document is designed to make explicit the reasons for funding these organisations and the terms on which these grants are offered.

Background

9. The Council recognises and highly values the significant contributions that the community and voluntary sector play in delivering services to our residents. Partnership working is a key priority for Lewes District, and the Council is committed to working with voluntary and community organisations through the giving of community grants. This helps support a thriving voluntary sector in Lewes District. In addition, the giving of funding to such groups can also provide a cost effective way of delivering the Council's objectives.
10. The Council awarded a total of £202,505 in grants to voluntary sector organisations in 2017/18, in line with previous years' grant awards, reflecting a long-standing commitment to support these groups.
11. For many years the Council has provided funding to a small number of voluntary and community organisations on a recurring basis, these being: the Citizen's Advice Bureau (CAB), 3VA, Action in Rural Sussex (AiRS) and Sompriti. These particular organisations have been funded because of the core role they play in enabling and supporting other parts of the community and voluntary sector (3VA and AiRS) or because of the unique advisory role they provide to those experiencing hardship or disadvantage (CAB and Sompriti).

Proposed Grants Policy

12. The Council's approach to providing grants to voluntary organisations has remained similar over many years. In this report the opportunity is being taken to make that approach explicit within the following policy statement;
 - a) The policy is to offer grant funding to a small number of organisations which provide essential services to our residents, particularly those experiencing hardship or disadvantage, or which play a key role providing infrastructure services to enable and support a thriving community and voluntary sector in the District.
 - b) The Council only offers grants to organisations which are well embedded in the Lewes District and are able to deliver services which build on strong links with local communities.
 - c) Organisations funded must be fully inclusive, and in a position to deliver services across the whole geographical area.

- d) Grants will only be given to organisations which have a need for grant funding; which have sound governance arrangements and financial management; which can demonstrate good value for money and a significant use of volunteers in the delivery of their services; and which have clear policies on safeguarding where appropriate and on equality and inclusion covering service users, volunteers and staff and encompassing, as a minimum, all those groups protected under the Equality Act 2010.
- e) Given current constraints on all Council budgets, the Council will not make any allowance for inflation.

Grants

- 13. In February 2015, the Council agreed to award grants for a three year period to CAB, 3VA, AiRS and Sompriti. It is proposed that grant be awarded in 2018/19 to these same organisations and to Lewes District Churches Together Homelink to continue providing the service already funded through a housing grant.
- 14. It is proposed that grant be allocated for the following three years, 2019/20 to 2021/22 subject to compliance with the terms of a grant agreement, satisfactory delivery of the services supported by the grant and the availability of funds. This is in line with the agreement in 2015 to award three year funding, thereby providing financial certainty enabling these organisations to plan ahead and ensure consistent delivery of service. Having the security of a three year grant from the Council can also assist voluntary organisations in leveraging in further funding from other sources.
- 15. All grants will be subject to Grant Agreements covering the specific services funded and outcomes to be delivered. The grant agreement will continue to provide a mechanism for the Council to monitor the organisations' performance and delivery closely through written reporting and review meetings. The agreements specify the amount of funding, what activities the grant can be used for, minimum legal and service requirements, monitoring and evaluation processes. It should be noted, however, that all grant agreements will contain clauses enabling review, termination and/or renegotiation of terms should the need for the service change or to address any performance issues encountered.
- 16. It is proposed that Grant Agreements be reviewed annually to ensure best use is made of the grants budget.

Performance in 2016/17 and 2017/18

- 17. Regular quarterly monitoring meetings have been held with those organisations which receive larger grants (Lewes District CAB, 3VA and Sompriti) and annual meetings with those receiving smaller grants (AiRS).
- 18. In addition, at the request of the Scrutiny Committee, presentations were given to Members on 9 November 2017 by the four organisations receiving grants in

the current year. These presentations provided Members with information about the services provided by those organisations and some examples of particular achievements and successes over the past year.

Lewes District CAB

19. The CAB helps people resolve their legal, money and other problems by providing free, independent and confidential advice. LDC currently provides around 84% of their core funding with the Town Councils across the district providing the remaining 16%. The CAB is currently awaiting the outcome of discussions with the Town Councils about grant for 2018/19, but it is anticipated that the proportion of funding borne respectively by LDC and the Town Councils will be the same as in the current financial year.
20. The Council's commitment to the CAB is clearly demonstrated by comparing the proposed grant for 2018/19 with funding for similar advice services in the local area in 2017/18 as shown below:

Lewes District Council proposed 2018/19	Lewes District CAB	£175,340
Eastbourne Borough Council	Eastbourne CAB; BHT Housing Advice; Shinewater Shaftesbury Centre	£175,500
Wealden District Council	Wealden CAB	£150,000
Hastings Borough Council	Housing Advice and Representation Centre, BHT Housing Advice and CAB	£112,832*
Rother District Council	Rother Housing Advice and Representation Centre, and CAB	£101,160

21. In the past year the CAB has continued to provide advice services for a range of clients across the district. Most recent data indicates that the CAB is seeing around 4000 clients at the Bureau's various locations each year. The most recently quarterly figures showed that Benefits/ Tax Credits accounted for 42% of cases, Debt accounted for 13%, Housing accounted for 10%, Relationship / Family issues accounted for 8%, and Employment issues for 6%.
22. One of the key measures used to determine the success of the Bureau is the financial outcomes for clients (in terms of income gain, debts written off or repayments rescheduled) resulting from the help provided through CAB advice. This is expressed as an 'annualised value'. The total value for the second quarter of 2017/18 was £438,124, similar to levels achieved in previous quarters. When presenting to Members in November, the CAB stated that in 2016/17 they had been successful in securing £1,388,473 in benefits for their clients.

23. The Bureau is reaching clients from across the district with the largest numbers coming from Peacehaven (23%), Seaford, (22%), Newhaven (18%), and Lewes (16%).
24. In recognition of the geographical spread of demand on their service, together with the socio-economic make-up of the district the council has been working with the CAB to move their main office from Lewes to Newhaven. The council approved a capital investment of up to £175,000 in September 2016 to refurbish premises to help enable this. The refurbishment works have taken place during the latter part of 2017. The Bureau will also retain a presence in Lewes through use of shared space in Southover House reception for 3 days each week. At the time of writing the CAB is in the process of making those moves and a formal opening of the new premises in Newhaven is likely to take place in March 2018.

3VA

25. As a Council for Voluntary Service, 3VA provides support for voluntary and community organisations across the Eastbourne, Lewes District and Wealden areas of East Sussex. They provide a range of practical support to charities and community groups including start-up support, funding advice, help with governance and training. Their services help to inform, sustain and develop the voluntary and community sector in the area.
26. In the past year 3VA has continued to provide valuable up-to-date information to local groups through its weekly digital newsletter. In the first half of 2017/18 3VA supported thirty Lewes-based organisations with one to one help and advice as well as five county-wide groups. 3VA continued to support the local Dementia Action Alliances in Lewes and the Havens. Both Alliances are now meeting on a regular basis and 3VA will continue to support them in future years as part of their core service.
27. A significant development in the past year has been the successful establishment of two community networks, one covering Lewes and the Havens, the other covering Seaford. This work has been supported by funding from East Sussex County Council and closely linked with the health and social care programme, Better Together. The networks are proving invaluable allowing groups to share experience, information and resources and 3VA to develop a greater understanding the needs and aspirations of voluntary and community groups.

AiRS

28. AiRS is the Rural Community Council for Sussex. The organisation's purpose is to provide practical help and support to rural communities across both East and West Sussex enabling them to be vibrant, living and working places. The funding provided by the Council is specifically to support the organisation's work with village halls and community buildings in the Lewes district.
29. In the past year AiRS have continued to produce a monthly newsletter with information and advice which is sent to village hall management committees in the district. They have delivered training and provided one-to-one advice and assistance to individual village halls as needed. Ditchling, Ringmer, Barcombe

and Wivelsfield Village Halls have benefited from this assistance in the past year.

Sompriti

30. Sompriti supports black and minority ethnic (BME) communities and individuals across East Sussex. They work with individuals from a range of different backgrounds and heritage, organising community events, and providing bilingual support to residents in a variety of community languages.
31. In 2016/17 they supported twelve families to improve their mental wellbeing; supported Syrian refugee families to make connections with local services and communities; supported small BME business and trained fourteen local businesses in Food Hygiene; ran Tour of Lewes walks; and organised four local events attended by 125 local BME residents. They also recruited 22 volunteers to work for them.
32. The grant awarded to Sompriti has assisted the Council in fulfilling its duties under the Equality Act 2010, by improving access to Council services for BME communities and advancing equality of opportunity.

Lewes District Churches Together Homelink

33. LDC Housing has also granted Lewes District Churches Together Homelink £11,800 towards their work providing housing deposits and rent in advance to homeless households and those at risk of homelessness referred to them by the Council's housing needs officers. The grant will be supplemented by a grant of £15,600 from East Sussex County Council towards this work. This service is a key part of the Council's work to prevent and relieve homelessness. Officers refer those households who are not covered by the Council's own statutory duties for rehousing, such as those who do not have a priority need for rehousing under the terms of the Housing Act 1996. Under the terms of the grant agreement, this funding may only be used for essential costs, such as rent deposits.
34. Between January 2017 and end of September 2017, Homelink made loans totalling £103,723 for housing deposits and rent in advance to 81 households.

Funding for 2018/19 to 2021/22

35. It is proposed that core funding for CAB, 3VA, AiRS, Sompriti and Homelink be granted in 2018/19 at the same level as for 2017/18 with two exceptions.
36. Funds have previously been allocated to the CAB from HRA specifically for Specialist Money and Benefits Advice for LDC housing tenants who are experiencing rent or council tax arrears. This grant has contributed to 52 hours of Specialist Advice services for tenants and has helped those experiencing debt problems to help them manage their repayments and at the same time importantly helped to reduce the Council's court/eviction costs.

37. The Specialist Advice Services are provided by salaried, highly experienced and trained specialists, unlike other aspects of the service which are delivered mainly by volunteers. To ensure appropriate staff can be recruited and retained, and that service levels and quality can be sustained through the likely period of high demand (due to Universal Credit) it is proposed that funding from the HRA for Specialist Services is increased by around £4k for each specialist service.
38. At its meeting on 6th December, Council resolved to allocate £30,000 to award as grant to a voluntary organisation to help mitigate the impact of the rollout of Universal Credit Full Service scheduled to begin in September 2018. It is proposed that a specification for a service be drawn up and bids be invited from suitably qualified voluntary organisations to undertake this work.

2018/19 Funding Schedule

39. The funding proposed for 2018/19 is detailed in the below table. Funding for the subsequent years of the grant period will be brought to Cabinet for consideration in future years.

Org	£ funded (17/18)	Proposed funding £ (18/19)
CAB	Core Grant 140, 340 (HRA benefits advice) 13,400 (HRA money advice) <u>13,465</u> <u>167,205</u>	Core Grant 140, 340 (HRA benefits advice) 17,500 (HRA money advice) <u>17,500</u> <u>175,340</u>
3VA	28,000	28,000
AiRS	3,500	3,500
Sompriti	10,000	10,000
Homelink	11,800	11,800
To be allocated		30,000 One year only – to mitigate impact to Universal Credit full service. Bids to be invited from suitably qualified organisations

Financial Appraisal

40. The core elements of funding for 2018/19 to 2021/22 proposed in this report can be met from base budgets. Allowance for the increased funding from the

Housing Revenue Account will be included in the draft HRA budget for 2018/19, which is presented elsewhere on this Agenda.

Legal Implications

41. Since the allocation of council funds recommended at paragraphs 8 and 9 above constitutes public funding, regard must be had to EU rules on State Aid. The purpose of the State Aid regime is to prevent public authorities (including local government) from giving financial advantages to organisations in a way which could distort competition between Member States.

Public funding of any organisation up to a maximum of 200,000 euros over a rolling period of 3 years is classed as “de minimis aid” (subject to certain other qualifying criteria). The EU considers that an amount of aid below this threshold has a negligible impact on competition and trade, and does not need notification or approval by the EU Commission. The level of proposed funding to 3VA, AiRS, Sompriti and Homelink is likely to fall within the scope of de minimis, and therefore legitimate, state aid.

The proposed funding to CAB exceeds the de minimis aid threshold. However, the nature of CAB’s activities means that local public support measures (such as local authority funding) can be granted without prior Commission approval. Guidance issued by the Commission in April 2015 indicates that public support to purely local operations do not involve state aid within the meaning of EU rules, because they are unlikely to have a significant effect on trade between Member States.

CAB’s advice is aimed only at the local population, competition for which only exists at local level. Further, language issues, and features of the local health, benefits and debt systems (the principal topics dealt with by CAB) make cross-border competition unlikely.

Accordingly, it is considered lawful to proceed with the funding as proposed, without the need for prior EU Commission notification or approval under State Aid rules.

Lawyer consulted 04.01.18. Legal ref: 005822-LDC-OD

Risk Management Implications

42. If Cabinet agrees the recommendations in this report the following risks need to be addressed:
- a) There is a risk that public funding does not deliver the outcomes expected. This risk will be mitigated by close monitoring of the organisations funded through quarterly monitoring reports and meetings. In the event of poor performance or non-compliance with the conditions of funding, the grant agreements allow for grant to be withheld.
43. A number of risks have been identified in the event that the recommendations in this report are not approved:

- a) there would be a reduction in the level of services available to Lewes District residents arising from the lack of funding for provision of these. This would be particularly acute in the case of advice services which are experiencing high demand at present.
- b) there would also be risks to the Council's reputation if it fails to support key voluntary sector and BME communities in the district.

Equality and Fairness Analysis

- 44 An Equality and Fairness Analysis is has been carried out covering this report and is available from the report author.

Background Papers

- 45 The performance monitoring reports relating to each of the organisations funded are held by the Business Strategy and Performance Team.