

Report to:	Cabinet
Date:	4 February 2021
Title:	Voluntary Sector Support Policy Review
Report of:	Ian Fitzpatrick, Deputy Chief Executive
Cabinet member:	Councillor Johnny Denis, Cabinet member for communities and customers
Ward(s):	All
Purpose of report:	For Cabinet to note responses of the consultation exercise, give consideration to the method of awarding future grants and agree any changes to the councils' voluntary sector grants policy.
Decision type:	Key
Officer recommendation(s):	<p>(1) Agree the grant allocations for 2021/22, to be allocated in line with the existing voluntary sector grants policy, as set out in para 1.4.</p> <p>(2) Note the consultation responses.</p> <p>(3) Agree to award all grants tri-annually from 2022/23 onwards and introduce a competitive bidding process to be implemented in 2021/22.</p> <p>(4) That a further report making recommendations for future funding priorities, in the form of a 'prospectus' against which organisations can bid, be considered at a future meeting of the Cabinet.</p> <p>(5) An amended grants policy be prepared in line with the recommendations above for adoption at a future meeting of the Cabinet.</p> <p>(6) That a Grants Working Group of three members be established, as set out at para 2.4.</p>
Reasons for recommendations:	The introduction of these changes to the voluntary sector grants policy will enable the council to be more transparent and flexible in how local voluntary organisations are supported and will ensure a focus on priority areas of need.

Contact Officer(s): **Name: Seanne Sweeney**
Post title: Strategy & Corporate Projects Officer, Thriving Communities
E-mail: Seanne.Sweeney@lewes-eastbourne.gov
Telephone number: 01273 085 630

1 Introduction

- 1.1 The council makes funding available to voluntary organisations each year, in line with its Community Grants Policy (appendix 1). 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 funding and supporting voluntary and community organisations across the Lewes District. This provides a cost-effective way of delivering some aspects of the council's objectives.
- 1.2 At its meeting in February 2020, Cabinet agreed that a review of the Community Grants Policy would be undertaken to explore whether the current method of awarding grants was the fairest and most effective, or whether changes should be made to the policy.
- 1.3 2021/22 marks the third of the council's three-year grant cycle. At its meeting in February 2020, Cabinet agreed that any changes to the process for awarding grants would not be implemented until the current three-year cycle is completed, in March 2022. The table below sets out the level of grant paid in 2021 and the amounts recommended for 21/22 in line with current community grants policy.

1.4 Current and next financial year grant allocations

1.5

Organisation	2020/ 21 grant (£)	2021/ 22 (£)
Lewes District Citizens Advice	Core Grant 140,340 (HRA benefits advice) 17,500 (HRA money advice) <u>17,500</u> <u>175,340</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
Action in Rural Sussex	3,500	3,500
SCDA – Sompriti	10,000	10,000
Lewes District Churches Homelink	11,800	11,800 (HRA)

BHT Advice – Universal Credit service	22,050	30,000 (HRA)
---------------------------------------	--------	--------------

1.6 This year has been exceptionally challenging for grant recipients, necessitating dramatically altered ways of working in a pandemic, whilst responding to changing and rapidly increasing need. Regular monitoring has taken place throughout the year to ensure the grant allocated has been used in line with the grant agreement. Due to the pandemic, changes have been negotiated to delivery models in some instances.

- **Citizens Advice (CA)** had to adapt quickly to move their predominantly volunteer workforce to home and online working. CA have worked hard to continue providing advice and support to residents who contact them about a range of issues including Universal Credit, Personal Independence Payments, council tax arrears plus administering the energy voucher scheme. CA have been working with SCDA, 3VA and the council to identify gaps and plan for future demand.
- **3VA** have been at the forefront of supporting new and existing groups across the district, many of which were formed in response to the virus. Along with interpreting and promoting swiftly evolving government guidance, 3VA have continued to ensure groups are aware of their obligations around safety, safeguarding and governance, and have successfully kept groups connected; sharing concerns and good practice. The initial months of the pandemic saw close working between council and 3VA officers as we all worked to support our local communities through the establishment of the Community Hub.
- **Action in Rural Sussex** have proved a vital advisory service to village halls and community buildings across the district which have faced significant challenges including loss of crucial revenue and volunteer safety. AiRS took the decision to offer non-subscribers a 6 month free subscription (current subscribers benefitted from a 6 month free extension) to ensure that those groups and buildings needing support could access it. Their online information platform, Basecamp, has enabled information, news and advice to be disseminated quickly whilst keeping trustees, management committees and officers connected and able to easily share best practice and concerns.
- **Sompriti (managed by Sussex Community Development Association)** Although Sussex Community Development Association have been pivotal in the response to the pandemic, particularly around mapping need, identifying gaps and planning for a sustainable response, the Sompriti project has faced some challenges such as staff shortages

which have meant that not all funding outcomes have not been met. LDC continue close dialogue with SCDA about the future of Sompriti, and on that basis, a further years' funding is recommended.

- **Lewes District Churches Homelink** have continued to provide housing deposits and rent in advance to homeless households and those at risk of homelessness, referred by the council's housing needs officers. Homelink have decided to recruit an additional staff member and extend their opening hours to cope with current demand, which has risen in recent months. Homelink also continue to administer the Discretionary East Sussex Support Scheme (DESSS) funding on behalf of the council.

1.7 **Brighton Housing Trust Universal Credit Project**

Funding was granted to BHT in September 2018 as a time limited project to support with the roll out of UC. A delay in implementing UC meant it was necessary to extend the project, and this year (through underspend in the Flexible Homeless Support Grant) it was extended again in response to the pandemic, with the Cabinet member's approval.

Although BHT have had almost 300 referrals over the last two years, almost half have been from non-LDC tenants, as the service eligibility was opened up to Lewes district residents in an effort to boost referrals and support the project to meet its funding targets.

It is recommended that funding for UC support continue so that advice is available and can meet the expectant rise in UC claims as a consequence of the pandemic. £30k could be made available from the Housing Revenue Account to extend the project for a further year recognising the likely increased need for this project by council tenants as a result of the Covid pandemic.

1.8 **Covid-19 response**

In addition to the planned voluntary sector grants, the council has provided over £40k of financial support to local groups and food banks across the district during 2020/21 to bolster the local response to the virus, in additions to purchasing food supplies which were distributed to food banks across the district.

1.9 **Community Grants Policy Review**

It was agreed by Cabinet in February 2020 that a review of the council's grants policy would be undertaken. In September the Cabinet Member for Communities and Customers agreed a public consultation exercise based on four future options for the allocation of community grants.

From 18 September to 11 December 2020 the council invited community and voluntary sector organisations in the district to rank four options of awarding grants to the voluntary sector. Respondents ranked the below in preference:

a) Maintain the status quo – *Fairly strongly supported*

Currently, Lewes District Council awards grants annually to four local organisations. These are: Action in Rural Sussex Citizens Advice, 3VA, Lewes District Churches Homelink and Sussex Community Development Association (for the Sompriti project). These grants are approved in three year cycles. This gives projects some security to develop their services.

This option provides some certainty and security of funding for recipient organisations. However, it does not allow for new groups or organisations to be added to the grant programme. In addition, it does not enable the council to use the grants programme to respond to changing needs in the community.

b) A combination of core grants and small grants – *Strongly supported*

Continue to award a portion of our budget as 'major grants' to support core voluntary sector services, in three year cycles, and introduce a competitive annual bidding (application) process for 'small grants', from the remainder of the budget. The criteria for awarding small grants could be set each year and respond to local need.

Introducing a competitive bidding process would enable all qualifying community groups and organisations to have a chance to bid for funding. This approach would also enable the council to change grant allocation criteria over time to respond to changing needs in the district. However, the introduction of a small grant fund would result in a potential reduction in allocations to currently funded organisations. In addition, additional staff resources to administer the scheme would need to be built in which would reduce the overall amount available for grant funding.

It should also be noted that other councils which follows a similar model, have seen their small grants programme under-subscribed with successful projects being very short lived and helping only a small number of residents in many cases. Local organisations may find it difficult to respond to the types of priorities being put forward for funding when the grant offer is for such a short period.

c) Award all grants annually – *Least supported*

This option would see all grants awarded each year through a competitive bidding process as described above.

Options b) and c) would impact on staff resources, and would mean that some funds will need to be identified from the grants budget to support the extra administrative work involved.

This would enable the council be more flexible in how it sets priorities each year, however it would provide very little security for local organisations, which have been used to receiving longer term grant support from the council. It would also be resource intensive to administer.

d) Award all grants tri-annually – *Fairly strongly supported*

This option would entail grants being awarded every three years through a competitive bidding process as described in b) above. This would provide some security to grant recipients and could be administered within existing council resources.

The grants programme would be open to different groups with priorities for funding agreed every three years in line corporate priorities and local need. It is proposed that a more of a commissioning style approach would be used, with the council clearly setting out in a 'prospectus' the types of services it would want to fund, and then inviting organisations to put forward proposals for delivering these services.

- 1.10 Responses were submitted by 18 local groups, with over 50 additional comments received, a summary of which can be found at appendix 2. It should be noted that a purely numerical analysis of the responses may be misleading, as some organisations submitted multiple, very similar responses. As indicated in the rankings above, a small majority of respondents selected option (a) as their preference with (b) and (d) following closely behind.

Many of the detailed comments provided by consultees indicated that funding should be opened up to more groups, but on a longer-term basis, suggesting that option d) was desirable.

Conversely, many comments expressed concern about the removal of funding security and rejected the proposal of an annual competitive bidding process.

2 Recommendations for policy review

- 2.1 Cabinet will be aware that consultation exercises are designed to inform Cabinet's decision on an issue, rather than determine it. When considering a change to the policy, Cabinet is asked to weigh up the views expressed within the consultation with other factors including the needs of the local community, financial constraints, staff capacity and the council's corporate priorities.
- 2.2 Based on all these factors, it is recommended that awarding all grants tri-annually through the introduction of a competitive bidding process is the chosen option for the Community Grants Policy with effect from April 2022. This option

allows the council to determine priorities which are responsive to local need, and opens the possibility of funding to other voluntary and community groups operating in the district, whilst also giving a level of stability.

If agreed, the first cycle would be awarded in April 2022. Cabinet may wish to consider focusing a funding 'prospectus' on services including advice, homelessness, and voluntary sector support for example, which would reflect some of the existing priority areas currently funded. Should option d) be agreed by Cabinet, a further report will be prepared setting out a proposed funding 'prospectus' for members' consideration.

- 2.3 The council is currently budgeting to award £258,640 in grants each year. £217,140 of this is spent on services which directly benefit council tenants. It is usual to involve tenant representatives in considerations relating to council tenants. To this end, it is proposed that tenant representatives be consulted at an early stage in the development of the funding prospectus, and that their views be shared with Cabinet when it is asked to approve the prospectus.
- 2.4 If it is decided to move to an applications based process, a Member Working Group may be helpful to consider applications, advise on the setting of priorities and otherwise advise Cabinet on grants matters. It is recommended that a working group of three Members, two from the Cabinet and one opposition Member, be constituted for this purpose, reporting to Cabinet.

3 Consultation

- 3.1 A consultation exercise was held for 12 weeks throughout the autumn. A summary of key themes and responses can be found at appendix 2.

4 Corporate plan and council policies

- 4.1 Making changes to the voluntary sector grants policy may help support the council's pledge around open and transparent decision making, as outlined in the Corporate Plan.
- 4.2 A change to policy may aid alignment with the Corporate Plan pledge to respect and promote principals of equality and support the council's equality and fairness policy.

5 Financial appraisal

- 5.1 As set out in section 1.5 of the report, the 2021/22 budget provision for grants to the voluntary sector is £258,640. Any increase to this amount would require additional funds to be identified as part of the current 2021/22 budget setting process.

6 Legal implications

- 6.1 Cabinet is legally required to have “conscientious regard to” the consultation responses in determining the future Community Grants Policy. As indicated at paragraph 2.1, this involves balancing the responses against the council's strategic priorities and its capacity to deliver, taking into account financial and staffing resources.

Lawyer consulted 06.01.21

Legal ref: 009835-LDC-OD

7 Risk management implications

- 7.1 If Cabinet does not allocate the funding it has budgeted for grants there are risks both to the council's reputation in relation to this high profile activity and to the council's own services which could experience increased demand from customers who would normally use those services provided by voluntary organisations.

Reviewing the council's policies and performance on a regular basis provides an assurance that the council is fulfilling its functions in a way that complies with current legislation.

8 Equality analysis

- 8.1 An Equality & Fairness Analysis has been undertaken on these proposals, concluding that a change to the way in which grants are awarded has the potential to positively impact most protected groups, as a competitive bidding process would introduce refreshed priorities which may seek to address inequalities and improve services for residents.

Currently, working age residents, BAME communities, residents in rural locations and households experiencing socio-economic deprivation are supported through projects funded by LDC. Any reduction to current provisions would impact these groups the most, and consideration will need to be given to need and sustainability when identifying projects to support in future.

9 Environmental sustainability implications

- 9.1 Ideally the support of sustainability in one form or another should be a consideration in all grant awards. If members decide to introduce a competitive bidding process, it is recommended that projects or organisations which promote sustainability would be encouraged and this element used as selection criteria for grant allocation.

10 Appendices

- Appendix 1 – Community Grants Policy
- Appendix 2 – Consultation Response Summary

11 Background papers

None