



Author/Lead Officer of Report:

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Report of: *John Macilwraith*

Report to: *Cabinet*

Date of Decision: *20th November 2019*

Subject: Tackling Inequalities in the city through investing in Grants to the Voluntary and Community Sector 2020-2021

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Neighbourhoods and Community Safety		
Which Scrutiny and Policy Development Committee does this relate to? <i>Safer and Sustainable</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>EIA 635</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<p><i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i></p>		

Purpose of Report:

The report seeks permission to agree a grant aid budget at a value of £1.437m for a period of one financial year (2020-2021) for the purposes outlined in this report.

Extend the majority of existing Grant Aid funding arrangements for 12 months up to 31 March 2021, to allow for a full and thorough review of Voluntary Sector Grant Aid to be undertaken to:

- understand outcomes achieved from Grant Aid funding;
- understand impact on Council priorities of not funding the VCS;
- gain an overview of total Council investment in the VCS.

Recommendations:

Cabinet is asked to agree an extension to the existing Grant Aid Strategy (2017-20) for 12 months from 1st April 2020 to 31st March 2021 as outlined in this report.

1. Approve the Grant Aid budget for the extension period of £1.437m for the financial year 2020-2021 as detailed within this report.
2. Approve the individual grant awards as detailed within this report and delegate Authority for signing the necessary variations to the existing multi-year Grant Agreements to the Head of Communities, where no such authority exists under the LSOD.
3. Agree that the Tackling Inequality Fund be re-launched for applications. Where no such authority exists under the LSOD, delegate authority to Head of Communities and the Lead Cabinet Member for Neighbourhoods and Community Safety to award and manage such grant awards in line with this report.
4. Existing Lunch Clubs be awarded a 12 month extension for 2020/21, subject to a delegated approval of the Head of Communities in line with this report.
5. Extend Lunch Club Development Support for 12 months in line with this report, with a delegated authority to the Head of Communities to manage such Development Support in line with this report, where no such authority exists under the LSOD.
6. Where no existing authority exists under the Leaders Scheme of Delegations, the Head of Communities shall have a delegated authority:
 - (i) to agree the amounts, purposes and recipients of any individual grants awarded in year from the Grant Funds including any additional sums received, returned or unpaid and to carry out such management and award and withdrawal of such funding as necessary and in line with this report.

- (ii) to allocate any other additional sums that may be received in year from other parts of the Council or other partners as part of the Voluntary Sector Grant Aid process to fund local voluntary sector activity.
- (iii) to via the budgets between the stated grant funds if an underspend is identified during the financial year.
- (iv) To make changes to the 'outcomes and delivery' of grants for 2020/21 in line with the objectives of the report.

Background Papers:

- **19.20 Grant Recipients and Values**
- **Lunch Club ICM Paper and Decision**
- **19.20 Lunch Club Grant Recipients and Values**

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Liz Gough</i>
		Legal: <i>Henry Watmough-Cownie</i>
		Equalities: <i>Ed Sexton</i>
<p><i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i></p>		
2	EMT member who approved submission:	<i>John Macilwraith</i>
3	Cabinet Member consulted:	<i>Paul Wood</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Lorraine Wood</i>	Job Title: <i>Head of Communities</i>
	Date: <i>25.9.19</i>	

Tackling Inequalities through investing in Grants to the Voluntary Sector

1. PROPOSAL:

- 1.1 The proposal is to ensure that the council continues to tackle inequalities in the city through continuing to fund the voluntary sector by extending the current Grant Aid arrangements for a period of one financial year for 2020-21 at the value of £1.437m.
- 1.2 We propose a comprehensive review of Grant Aid during 2020-21 with the following areas included:
1. Reviewing the purpose and priorities of existing grant funding arrangements
 2. Establishing a new strategy for Grant Aid for the city from April 2021.
 3. Formulating new criteria and processes for Grant Aid
 4. Exploring potential for a central grants register in the Council
 5. Adopting an agreed corporate approach to grant giving
 6. Gain an overview of total Council investment in the VCS and the impact to Sheffield citizens
- 1.3 The timetable for this review would be December 2019 to August 2020. It is intended that the new Grant Aid Strategy will be brought to Cabinet for approval in September 2020.

Grant Aid Budget for 2020-21

Grant Aid is made up of 2 funding elements; public health funding and General Funding, totalling £1.461m in 2019-20.

2019-20		
Public Health	General Fund	Total Grant Aid Budget
£911,000	£550,100	£1,461,100

Due to the current pressures on the Public Health budget a reduction of £23,686 to the budget overall is proposed. This means that the total Grant Aid budget proposed for 2020-21 is as follows:

2020-21		
Public Health	General Fund	Total Grant Aid Budget
£887,314	£550,100	£1,437,100

1.4 **Delivering the Grant Aid fund in 2020/21**

Options on how to deliver the Grant Aid fund in 2020/21 have been discussed with the Cabinet Member for Neighbourhoods and Community Safety, with the following being the preferred option:

Reduce all grants funded by Grant Aid

£23,686 reduction would be split across all grants. This would involve amending all grant agreements. For some it is a very small amount, e.g. £228 for New Beginnings project; see Appendix A.

Grant arrangements during the extension period:

- 1.5 It is proposed that all existing Core Service and Infrastructure Grants are extended for 12 months with a 1.621% reduction in funding.

Grant recipients offered an extension will be issued with a variation to their existing multi-year grant agreement outlining the details of the 12 month extension and the terms on which it is offered. This will be issued following Full Council approval of the 2020-21 Council budget in March 2020. In preparation for this, officers and grant recipient organisations will carry out their annual review of the beneficiary outcomes outlined in these grant agreements and agree any necessary changes in early 2020.

It is proposed that the Tackling Inequalities Fund is extended for 12 months with refreshed criteria and is re-opened to applications during the extension period. Currently funded organisations will be eligible to apply for funding again alongside other eligible Voluntary and Community organisations. Re-opening the Fund allows us to consider funding new organisations for priority work and activity in tackling inequality during the extension period.

In relation to the Lunch Club Grant Pot:

- the lunch club support grant is extended for one year subject to mutually agreed revised outcomes based on the needs of lunch clubs to meet the new conditions.
- grant award values to individual clubs and decisions to cease funding to any clubs is made by the Head of Communities in consultation with the Cabinet Member for Neighbourhoods and Community Safety.

2. HOW DOES THIS DECISION CONTRIBUTE?:

- 2.1 The VCF sector is a key partner at a neighbourhood and city level in tackling inequalities in the city. The sector is valued and is quick to identify solutions to numerous challenges, supports communities to develop connections, and promotes inclusivity. To respond to the challenges the city faces requires a range of partners working together, with the people of Sheffield. Many VCF services and activities are complimentary to council delivery and help

to achieve the Corporate Plan deliveries and outcomes.

Grant Aid is the only council budget ring fenced to support citywide activities delivered by the local Voluntary and Community Sector in Sheffield.

The existing Grant Aid strategy, which this report seeks to extend, funds a range of Voluntary and Community Sector organisations in the city which fundamentally contribute to the Priorities of the Council's current Corporate Plan, in particular Tackling Inequalities and Better Health & Wellbeing.

In addition, the allocation of this grant funding contributes to the Fairness Commission's recommendations around –

- Health & Wellbeing for All
- Fair Access to High Quality Jobs and Pay
- Fair Access to Benefits and Credit
- Housing and a Better Environment
- A Safe City
- What Citizens and Communities can do

The extension of the existing arrangements will mean grant funding will continue to be available to support activities and services that will directly benefit a wide range of vulnerable local citizens. Beneficiaries from the Core Service Grants and the Lunch Club Fund include the following groups of vulnerable local people –

- Those in need of advice and advocacy services
- Households in financial need
- Older people including BME Older People
- Homeless people
- Ethnic minority women
- Refugees, asylum seekers and new arrivals
- Mental health / learning disability service users
- Street drinkers

The beneficiaries of the Infrastructure Fund grants are a range of VCF groups in the city. Infrastructure support is vital to a strong, well-managed voluntary sector that can adapt to a changing world. The Council's support for infrastructure organisations enables capacity building across the sector as a whole.

All grant recipients will continue to monitor service use, evidence the positive impact of their work, present their beneficiary outcomes, as well as, providing a diversity profile of their service users. This information will be published in Annual Reports that outline the impact of Grant Aid investment in the city.

The overarching Annual Reports for the Grant Aid Funds in 2018-19 can be viewed at www.sheffield.gov.uk/grants together with all the current Annual Impact Reports submitted by each individual grant recipient demonstrating their impact in the city.

The majority of grants that will be funded by this extension will also:

- Encourage significant opportunities for local people to contribute to the

wellbeing of their communities by engaging in volunteering. They will support organisations providing quality training and the opportunity to gain experience that will enhance volunteers' skills and employability. In 2018-19, Grant Aid grant recipients had a total of 1,690 volunteers contributing 217,274 hours, equivalent to a volunteer dividend of £1,955,462 (using the Real Living Wage)

- Enable local people to engage in active citizenship as trustees and management committee members shaping and guiding the development of these organisations and the services they provide.
- Provide employment opportunities for local people by helping to sustain organisations that employ paid staff. In 2018-19 Grant Aid grant recipients employed a total of 309 staff.

The last 'Sheffield State of the Voluntary and Community Sector 2018' report¹ estimated that the voluntary sector contributes £287 million to the Sheffield economy each year and £90.5m- £125m of this figure is volunteer time. Each year there are 30 million reported contacts with clients, users or beneficiaries.

2.2 The allocation of this funding to the voluntary sector to tackle inequalities contributes strongly to the Values, Priorities and Strategic Outcomes of the Council's Corporate Plan 2015-18. In particular -

Values

- Prioritising those with greatest need
- Working with, and within, communities

Priorities

- Tackling inequalities
- In-touch organisation
- Strong neighbourhoods and communities

Outcomes

Specifically 'Tackling Poverty and Increasing Social Justice' but also –

- Health and wellbeing
- Successful children, young people and families
- Housing and neighbourhoods
- Safe and secure

3. HAS THERE BEEN ANY CONSULTATION?:

3.1 Two recent consultations have taken place on Citizen's Space (and by letter to every funded lunch club as they do not all have internet access). The first consultation was an open public consultation regarding the future of Grant Aid, the second was an impact consultation open only to existing Grant recipients.

¹ Sheffield State of the Voluntary and Community Sector 2016: A report on social and economic impact, Sheffield Hallam University

Both consultations closed on Sunday 15th September 2019.

3.2 155 people took part in the public consultation and the results showed overwhelming support for us to continue to have a Grant Aid budget as a means to invest in Sheffield's local voluntary and community sector and that this should continue to be specifically to fund city-wide activity.

3.3

Question	Yes	No	Not Answered
Should the council continue to have a Grant Aid budget as a means to invest in the voluntary and community sector?	153	1	1
Should this budget continue to be ring-fenced specifically for Sheffield's local voluntary and community sector?	148	5	2
Should the council continue to provide grant commitments for more than one year?	151	2	2
Should the Council continue to use the Grant Aid budget specifically to fund city-wide activity?	139	11	4

3.4 The results of the consultation are in line with the decisions set out within this paper of extending most arrangements for one year and conducting a full review of Grant Aid. Further details of both consultations can be found in Appendix B.

3.5 Impact assessments have been completed by all the current Grant Aid recipients, detailing how they would manage or mitigate a grant reduction. Nearly all grant recipients made clear that there would be a significant negative impact if their individual grants were reduced and that mitigation would be difficult.

3.6 A previous consultation with existing recipients was undertaken in March 2019. This consultation emphasised the importance of multi-year agreements to the voluntary sector, the need for working in partnership and the difficulties groups have in managing a reduction year on year.

3.7 In addition to this during 2018 a comprehensive review of grant funding to individual lunch clubs was carried out and signed-off. Implementation of the review of lunch clubs and the lunch club development service will tie into the Grant Aid review.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION:

4.1 Equality of Opportunity Implications

4.1.1 Overall the impact of the proposals will be neutral to low. The decision gives most grant recipients a further year of confirmed funding with a small reduction.

4.1.2 Any groups in receipt of grants that are not extending will be eligible to apply for the re-launched Tackling Inequalities Fund. Although there is a small reduction to

the overall Grant Aid budget in 2020/21 any greater reductions on the Grant Aid budget would have significant negative impact on equalities for a number of vulnerable groups. The criteria for assessing the applications will ensure that people with protected characteristics will not be disadvantaged; and that the application process will be accessible.

4.2 Financial and Commercial Implications

- 4.2.1 The financial implications are a 23,689 reduction in the total budget for 2020/21 to contribute to the pressures in the Public Health budget which is part of the Grant Aid budget in 2020/21.

4.3 Legal Implications

- 4.3.1 The legal power for the Council to establish, administer and make awards from the various grant funds as described in this report is provided by the general power of competence, contained in Section 1 of the Localism Act 2011. The Council must at all times be mindful of the requirements imposed by the public sector equality duty enacted in Section 149 of the Equality Act 2010.

Any existing grant recipients or new recipients must be issued with a revised grant agreements / extensions that contain the relevant Sheffield City Council Terms & Conditions for such awards.

4.4 Other Implications

- 4.4.1 Tackling Inequalities: investing in the Voluntary sector through grant aid tackles many areas of inequality that exist in the city, notably in income, health and opportunity.

5. **ALTERNATIVE OPTIONS CONSIDERED:**

5.1 Make No reduction to the Grant Aid fund

A strong voluntary and community sector is the foundation for a thriving society, and is invaluable in supporting the Council's priority to reduce inequalities across the City of Sheffield, e.g. health, poverty.

5.2 Reduction applied to CAB grant only

Reducing the largest grant, the CAB grant, means only one grant recipient receives a cut in 2020/21. CAB also receives funding from other services within the Council. However, this may lead to a reduced service to a particular community or loss of a post.

6. REASONS FOR RECOMMENDATION:

- 6.1 Extending existing arrangements for a year into 2020/21 allows us to continue to support the valuable work of the VCS, tackling inequalities in Sheffield in the most cost effective way, whilst we undertake a thorough review of the Councils investment in Grant Aid, how we can link to other funding streams and gain a greater understanding of the overall impact to its citizens.
- 6.2 We wish to continue to fund the Voluntary Sector through Grant Aid whilst understanding the financial constraints. We want to show the voluntary sector we value the excellent and wide ranging support they provide to a wide and diverse range of Sheffield residents.
- 6.3 Relaunching the Tackling Inequalities Fund, part of the overall Grant Aid monies, allows us to invite new organisations in the city to bid for funding to allow for innovative support to the City's diverse communities.