

Item No: N/a	Classification: Open	Date: 23 August 2018	Meeting Name: Cabinet Member for Culture, Leisure, Equalities and Communities
Report title:		Southwark Community Grants programme 2019-20 Longer term and innovation grants	
Ward(s) or groups affected:		All	
From:		Strategic Director of Housing & Modernisation	

RECOMMENDATIONS

1. That the Cabinet Member for Culture, Leisure, Equalities and Communities approves the implementation Southwark Community Grants, new outcomes-based grants programme to replace the current Community Capacity grants programme that would consist of:

- One year innovation grants
- Two year community engagement grants
- Four year strategic partner grants

The new grants programme will be developed on a new outcomes-based commissioning model and called the Southwark Community grants programme.

2. The Cabinet Member is asked to note that Community Capacity funding to Cooltan Arts has ceased as the organisation has closed (paragraph 40).

BACKGROUND INFORMATION

3. The council's Community Capacity and Environment and Ecology grants programme has traditionally been a one year grants programme. The purpose of the programme is to bring Southwark's diverse communities together, tackle social exclusion and promote a greener borough. It largely funds core costs and services that fall outside the main thematic departmental funding programmes. It covers three key priorities: community engagement, area-based resources and a greener borough. The majority of organisations funded by the programme have been funded for over 10 years although there has been more churn and change in recent years.
4. The Southwark Voluntary and Community Sector (VCS) Strategy 2017/2022 'Common Purpose Common Cause' was launched by the VCS, the council and Southwark Clinical Commissioning Group (CCG) in November 2016.
5. The overall ambition of the strategy is to support a sustainable, confident and resourceful VCS that can work alongside the public and private sector to deliver the best outcomes for Southwark residents and improve resident wellbeing and independence.

6. A key ambition of the strategy is to improve the council's commissioning and grant giving to focus on outcomes, and to make it more streamlined and joined up across departments.
7. To achieve this ambition a Common Outcomes Framework has been developed in partnership with the VCS. The framework has been approved by the council's Cabinet and the CCG. The framework sets out the outcomes the council and the VCS want to achieve for residents. It includes a set of wide-ranging indicators that can be used to measure how the outcomes will be achieved. The framework is to be used in all council commissioning, both grants & contracts. Commissioners will specify which outcomes are to be delivered, in line with their own departmental and service priorities. Organisations applying will specify the indicators they will use to evidence the outcomes, either from a list provided or they can offer their own.
8. The outcomes set out in the framework are in line with the new Council Plan developed in 2018 and the ten Fairer Future promises to create a fairer future for all in Southwark
9. In developing the framework, in particular the indicators, officers have liaised with the council's Equalities Officer to ensure that the programme supports the delivery of the Council's Public Sector Equality Duty.
10. Oversight of the council's relationship with the voluntary sector, the council's Conditions of Grant Funding (COGF) and the overall processes for commissioning services from the VCS comes within the portfolio of the Cabinet Member for Culture, Leisure, Equalities & Communities.
11. The process for commissioning grant aided voluntary sector service providers has to date normally involved 3 key stages:
 - Development and agreement of the commissioning plan
 - Advertising and assessment of applications
 - Report & final decisions.
12. From 2018 onwards the Common Outcomes Framework will be used as a council-wide commissioning plan with council officers selecting outcomes from the framework in line with their departmental objectives.
13. For 2017/18 and 2018/19 Community Capacity funding was continued to the same organisations at the same level as the previous year in order to allow time to implement the recommendations of the new strategy, and implement the new commissioning model. Organisations were informed by letter at the time of the decision to continue the grants, that the extension of funding by one year should not give rise to an expectation of future funding.
14. Organisations in receipt of grant funding from the council are monitored via the council's performance monitoring framework for grants. This includes completion of a self-assessment checklist; and submission of financial information including annual accounts and a half-yearly income / expenditure statement. It may also include a visit to the organisation.

KEY ISSUES FOR CONSIDERATION

Southwark Community Grants programme

15. The way forward for the Southwark Community Grants programme beyond March 2019 will be a focus on outcomes taken from the framework.
16. For 2019-20 and beyond it is proposed to run 3 grants in tandem:
 - One year innovation grants
 - 2 year community engagement grants
 - 4 year strategic partner grants.
17. These longer time scales are intended to create a balance between ensuring greater stability and certainty for organisations while at the same time enabling 'new' organisations and innovative projects to be funded. This will enable change and churn in the programme.
18. Legal Services have advised that moving to 2 and 4 year grants would not require any substantial changes to the council's Conditions of Grant Funding; however the following would need to be considered:
 - Continue to ensure value for money
 - Set out clear start & finish dates
 - Ensure robust monitoring – formal annual review against Common Outcomes Framework
 - Consider options for council to withdraw funding on notice, for example in case of change to budgets or ability to fund – this may need to include an element of compensation or consultation – this is likely to be more important where an organisation is relying on a funding stream for a number of years and could raise arguments of legitimate expectation and risk of judicial review
 - Payment of funding would need to reflect payment split over a number of funding years
 - Review clause which does not guarantee any future funding – may commit to future funding but with ability to withdraw for listed reasons / any reason.

Outcomes

19. The following outcomes have been selected from the Common Outcomes Framework that organisations applying to the Southwark Community Grants programme will be required to meet:
 - Residents have improved access to community services
 - Residents feel that they have access to services to improve their wellbeing
 - Residents feel more confident to maintain their independence without the need for higher levels of support
 - Residents have increased opportunities and support to volunteer
 - Residents have the skills and confidence to increase their use of online services and there is less digital exclusion
 - Residents and organisations have greater access to community spaces and premises
 - Residents increase their use of public transport, cycling or walking around the borough

- Residents and organisations feel more able to use green spaces to support social action and health & wellbeing activities.
- Increasing numbers of residents and organisations support initiatives to make Southwark greener.

Organisations would not be required to meet all the criteria but can specify which ones they will use the funding to achieve and the indicators they will use to measure progress.

20. Proposed criteria for the 3 grants are set out below:

General criteria: four and two year grants

Organisations applying for **either** the four year **or** the two year grant **must** meet **all** the following criteria:

- Registered charity and / or registered not for profit company and / or other form of registered not for profit organisation
- Based in and / or providing services within borough of Southwark
- Show evidence of stable governance and finances
- Operate from fit for purpose premises
- Show evidence of promoting equality and supporting the council's equality objectives and meeting the needs of people with protected characteristics
- Quality assurance measures in place

Specific criteria: 4 year strategic partner grants

- Borough-wide service: organisation works in partnership with other VCS groups; gives support to small grassroots groups and / or emerging communities; contributes to local strategy development
- Shows evidence of **substantial** non-council funding for services
- Has capacity to offer premises for community / grassroots groups to hire at low or no cost

Specific criteria: 2 year community engagement grants

- Meeting the needs of one or more community of interest and bridging different communities
- Shows evidence of co-operation with other VCS organisations serving different client groups
- Shows evidence of moving clients on and bringing new clients in ("churn")
- Shows evidence of **some** non-council funding and is not wholly reliant on council funding
- Provides advice, information and signposting to the correct services

Innovation grants

These are for both established and newer VCS organisations to test new approaches.

Criteria for innovation grants

- Registered charity and / or registered not for profit company and / or other form of registered not for profit organisation, or unincorporated association
- Based in and /or service to be provided in borough of Southwark

- Evidence of innovation that helps deliver the objectives of Common Purpose Common Cause – VCS strategy
 - Evidence of local knowledge and need
 - Scheme ready to go quickly after funding secured
 - Support of any partners already secured
 - Evaluation & exit strategy
21. Officers are currently logging ideas around innovation offered by council departments and also ideas that were offered via the DCLG Communities Fund bids in early 2017. Engagement with the VCS networks will start well in advance of the programme being advertised to ensure that there is adequate time for ideas to be developed.
22. Organisations will decide whether to apply for the 1, 2 or 4 year grant. They can apply for the 4 year grant plus an innovation grant or the two year grant plus an innovation grant but may not apply for both a 4 year and 2 year grant.
23. Officers will assess applications based on:
- Whether they meet the criteria
 - Ability to demonstrate whether they are meeting VCS strategy objectives and relevant outcomes from the common outcomes framework.
 - Where currently funded, any concerns about performance that have not been resolved.
24. Officers have tracked the level of inward investment to the borough by currently funded organisations through analysis of their audited accounts and this will be taken into account.
25. Officers will ultimately determine whether successful organisations are awarded a 2 year or 4 year grant based on the assessment criteria.
26. The council will continue to monitor funded organisations to track progress towards achieving the outcomes as well as ensuring compliance with the COGF.
27. Where any significant issues are identified during monitoring which could give rise to a breach in the COGF, the council will write to the relevant organisation(s) and set out what action needs to be taken. In such cases they will be advised that the funding continuation is subject to their taking the necessary remedial action to address concerns. Failure to do so may result in the council taking the appropriate action to terminate the funding by way of a further report.
28. This table summarises changes to the CC & EE programme since 2011/12:

Year	Savings	Groups funding stopped	Groups newly funded	Total funding
2018/19	0	0	0	£784,735 ***
2017/18	0	0	0	£729,335
2016/17	£139,025	1 (+2 who chose not to apply)	1	£729,335
2015/16	£161,937	7	2	£851,451**
2014/15	0	0	1	£1,142,404*
2013/14	£60,000	6	4	£1,117,907
2012/13	£77,000	5	7	£1,110,544

2011/12	0	0	0	£1,198,196
----------------	---	---	---	------------

*** In 2018-19 the externally provided homelessness advice service, currently provided by the Manna Society, was brought into the programme from Housing Strategy team and funding was continued via a grant of £55,000.

** An additional sum of £130k was awarded for the one-year Infrastructure, Training and Volunteering Support Services contract,

* Included a sum of £17,000 made available following a one-off reduction in the council's levy to the London Councils grants scheme

29. The Southwark Community grants programme assists the council in meeting its statutory and policy objectives for eliminating discrimination, promoting equality and good community relations, and for tackling poverty and social exclusion. The aim is to fund organisations whose core activities do not fall within service-specific departmental programmes.
30. Commissioning officers will continue to monitor funded groups to ensure compliance with COGF and that they are delivering the funded activities. Payment will continue to be made on a quarterly basis.
31. The council has a duty under section 26 of the Counter-Terrorism and Security Act 2015 to have "due regard to the need to prevent people from being drawn into terrorism" in the exercise of its functions. This includes a requirement that the council should take the opportunity when new contracts for the delivery of their services are being made to ensure that the principles of the duty are written in to those contracts. This approach will apply equally to grant agreements.
32. The council's Policy and Resources Strategy 2017/18 to 2019/20 Revenue Budget was agreed in February 2018, in the context of ongoing unprecedented cuts in its budget settlement from government.
33. For 2018/19, it is not anticipated that there will be a reduction to CC&EE programme budgets, but this is subject to the council agreeing its overall budget for that year.
34. In addition the council's Fairer Future budget principles incorporates a number of outcomes and principles of working with the VCS and other partners.

Community Impact Statement

35. There is a legal duty on local authorities, in the exercise of their functions, to have due regard to the need to promote equal opportunities, eliminate discrimination and to promote positive community relations. This grants programme will empower and enable hard-to-reach communities and those communities which experience discrimination, to achieve a better quality of life.
36. As part of the application process the council asks organisations to estimate the percentage of their service users that fall into the protected characteristics of the Equality Act 2010. This information is used to assess the equalities impact of the programme and the impact of any funding reductions. The form used to collect this information has been developed in line with feedback from the Forum for Equalities and Human Rights in Southwark (FEHRS) and with the council's Equalities and Inclusion officer.
37. As part of the application process VCS organisations must demonstrate who will benefit from their organisations' activities and how they support cohesion and community bridging initiatives. Within their annual reports organisations must

evidence the benefits users gain from their services or activities (Conditions of Grant Funding - Section 4. paragraph 1.1).

38. Grant funded VCS organisations are required as part of the COGF to sign up to the Southwark Diversity Standard. Contained within this is a requirement that all subcontractors and service provider pay workers the London Living Wage as a minimum. The council has recently achieved Friendly Funder Accreditation with the Living Wage Foundation. Living Wage Friendly Funders support charities to pay the real Living Wage that meets the cost of living through their grant-making.

Resource implications

39. In 2018/19 the total budget for the Community Capacity and Environment & Ecology programme is £784,428.
40. In 2018-19, only the first quarterly payment to Cooltan Arts was made as the organisation has since closed. The annual amount of the grant was £12,750 thus the remaining balance is £9,562.
41. The council is committed to providing 3 months notice of funding decisions.

Consultation

42. The new Southwark Voluntary and Community Sector strategy was developed in the light of feedback from four 'listening events' held with the VCS in 2016, as well as feedback provided via the Community Southwark website. At these events, a clear wish was expressed by the VCS for longer funding timescales. Following publication, 4 work streams were convened jointly with representatives from the VCS, the CCG and the council which developed action plans to implement the strategy. One of these work streams looked at how to improve council commissioning and as a result a number of 'products' including the common outcomes framework and a forward plan of VCS commissioning were put in place.
43. An event was held in May 2017 with the sector to report back on and get feedback on the proposed implementation actions with the VCS.
44. A workshop was held on 22 March 2018, attended by representatives of 30 VCS organisations, to get feedback on and further refine the framework and in particular the indicator sets and the guidance. Other discussions around the framework have taken place with VCS representatives including at Southwark Legal Advice Network and meetings with individual organisations and feedback has been taken on board.
45. Two internal training workshops on using the framework were held with commissioners from across council departments in June 2018. One of these was attended by a VCS representative. Feedback from the workshops was used to further refine the guidance.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

46. The Cabinet Member is recommended to approve the implementation of Southwark Community Grants, a new outcomes-based grants programme to replace the current Community Capacity grants programme.

47. Under part 3D of the council's constitution, this is a decision the Cabinet Member is empowered to take.
48. The council has the power to do anything that an individual may do (Localism Act 2011). Further, the council may incur expenditure where this is calculated to facilitate, or is conducive or incidental to the exercise of its functions. The community impact statement of the report outlines how the proposed grants programme is intended to achieve outcomes identified in the Common Outcomes Framework agreed by the council in 2017.
49. The council is subject to the "Best Value" duty to "make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The government's Best Value Statutory Guidance requires the council to approach "value" as including economic, environmental and social value, and to be responsive to the needs of the voluntary and community sector. The new grant programme as outlined in this report appears to be consistent with these duties.
50. The Cabinet Member is reminded that the council is subject to the public sector equality duty in section 149 Equality Act 2010. This requires the council, in the exercise of all its functions, to have due regard to the need to
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The duty is a continuing one. Paragraph 8 of the report refers to the involvement of the council's equalities officer in the development of the new programme. The community impact section of the report contains an account of the information sought by the council to inform its understanding of the impact that its grants have in this area.

Strategic Director of Finance and Governance (FIN1066 – JB)

51. The report recommends changes to the structure of the VCS grants programme from April 2019. The proposals include a move to multi year grant awards based on specific criteria detailed in paragraph 20. Multi year grants programmes will require changes to the budget monitoring processes and segmenting the current budget by the proposed categories in paragraph 16.
52. Paragraphs 18 and 27 note the options for terminating multi year grant awards due to performance or budgetary concerns. Management should retain flexibility in delivering the overall grants programme within the annually approved funding figure.
53. The VCS grants budget for 2018-19 is noted in paragraph 39, the budget for 2019-20 will be determined through the normal budget setting process concluding in February 2019.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Southwark Common Outcomes Framework	Housing & Modernisation 160 Tooley St SE1P 5LX	Katherine Pitt 020 7525 1579
Southwark Voluntary and Community Sector Strategy	Housing & Modernisation	“ “ “ “

APPENDICES

No.	Title
Appendix 1	Community Capacity and Environment & Ecology programme: list of funded organisations 2018/19

AUDIT TRAIL

Lead Officer	Stephen Douglass, Director of Communities	
Report Author	Katherine Pitt, Commissioning Officer, Housing & Modernisation	
Version	Final	
Dated	17 August 2018	
Key Decision	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	Yes	Yes
Chief Finance Officer	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Support Services	22 August 2018	