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| Item No. 23. | Classification: Open | Date: 6 December 2022 | Meeting Name: Cabinet |
| Report title: | | Funding Prospectus | |
| Ward(s) or groups affected: | | All | |
| Cabinet Member: | | Councillor Stephanie Cryan, Communities, Equalities and Finance | |

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COMMUNITIES, EQUALITIES AND FINANCE

We are proud of the diversity and richness of our community sector. It is a defining feature of Southwark and part of what makes the borough so special.

The council's commitment to our community sector is demonstrated by the amount that we invest through our range of grant programmes. We invest over £22 million in a year in funding services and activities delivered by the local voluntary and community sector (VCS). Between 2017 and 2022, the council invested £82.4 million making Southwark one of the most generous local authority funders in London. That is because we know what a difference our VCS makes.

The new council delivery plan sets out our ambitions for the next period. We need to close the gap by reducing inequality, tackling racism and racial inequity. We know how important our community sector is in our neighbourhoods and communities, on our estates with long established historic organisations and new and emerging ones providing support, services, meeting spaces and so much more.

This funding prospectus is a practical guide to how we fund and what funding is available for our VCS. Two independent reviews last year told us what we could be doing better and what we are already doing well. The prospectus brings together information in one place. It says what we are going to do differently and how these changes will make the borough fairer and more equal.

I am proud of our record of investment. But we are always seeking to increase the impact of our funding and to ensure that the organisations we fund are truly representative of our population. A key issue identified as part of Southwark Stands Together was unequal access for our Black Asian and minority ethnic communities to our grants programmes - an issue that was compounding inequality- and one that we are determined to address. The prospectus says how we will do this.

RECOMMENDATIONS

1. That Cabinet notes the council wide Funding Prospectus for the Voluntary and Community Sector (VCS) (Appendix 1) which sets out our new commitments to funding applicants.
2. That Cabinet notes the richness and diversity of the 12 regular funding programmes contained in the prospectus and how these are available to meet a wide range of community needs to ensure that Southwark remains a dynamic, diverse, responsive and supportive council. In 2022 402 grants have been made with the smallest £500 and 62 contracts with the largest over £6m.
3. That Cabinet notes the principles, commitments and purpose that underpin the funding programmes and how these frame the prospectus as a practical guide to how we provide funding as well as setting out how we will meet the challenges that emerged from the reviews.
4. That Cabinet notes the following changes to our working practice set out in the prospectus.
 - We will monitor funding to our Black, Asian and minority ethnic led organisations across our grants programmes. Where there is evidence of gaps, we will target funding for those groups and work to close the gap.
 - We will commit to ensuring there is funding support to our different communities and have started to collect information that will tell us whether organisations applying for funding are led by people from our diverse communities. This will ensure that funding reaches organisations that reflect the population of the borough.
 - We will still collect information that tells us which communities VCS organisations are working with and will ensure that there is support to organisations to apply for funding who have not received council funding before.
 - Assessment panels for grant making will include community representatives from outside the council.
5. That Cabinet notes that a review of the current VCS outcomes framework is currently underway so that is aligned with the Council Delivery Plan and will be brought to Cabinet in February 2023.

BACKGROUND INFORMATION

6. The prospectus is a response to two independent reviews carried out in 2021:
 - the Southwark Stands Together grants review, that examined whether there are obstacles to Black, Asian and minority ethnic groups making successful grant applications;

- The Community Investment Review which looks at the effectiveness of funding to deliver outcomes.
7. *The cabinet report on the Grant reviews in February 2022 tasked officers to create a prospectus that set out how we will address issues that have emerged from both reviews including:*
- *How we support organisations grow and bid successfully to deliver larger programmes*
 - *How we involve Black Asian and minority ethnic community representatives in the grant making assessment process to make it more transparent and fair*
 - *How we can substitute the current colour blind approach to our funding for a more nuanced intersectional one.*
 - *How we remain informed by the data and evidence we are receiving across the council and embed flexibility.*
 - *How we can ensure that we continue to ring fence funding*
8. The broader context is the pandemic highlighted levels of poverty and community exclusion, which have compelled the Council to consider a step change in its approach to grants and funding. In both adversity and normality the VCS plays a vital role in sustaining our communities and our residents.
9. The impact of the cost of living crisis means that the adversity that was highlighted by the pandemic is continuing and presenting new challenges for residents, for VCS partners and the council. It is unclear how long these challenges will continue for. The council working with our residents and partners is determined to do everything it can to ensure that this crisis does not become the new normality. Our VCS funding is a critical part of the mix of support available to our communities.
10. We recognise the critical role the VCS plays in addressing and mitigating the impacts of inequality both regionally and at the neighbourhood level. Our grant making, commissioning and procurement at all levels has a significant impact on the ability of these organisations to meet needs, address inequality, and support communities to thrive. What and who we invest in makes a difference to the health, well being and resilience of our communities.

KEY ISSUES FOR CONSIDERATION

11. The funding prospectus addresses a number of different purposes.
- The first is to set out how our funding offer supports the delivery of the high level borough plan outcomes.
 - Its second purpose is to set out the detail of what we are changing, to ensure that how our funding is managed, contributes to reducing inequality, tackling racism and racial inequity.
 - A third and broader purpose is to provide a practical guide to how

and what we fund. It brings information together in one place and includes what support is available for communities to access this funding.

12. Improvements in access to funding that have taken place include the single Southwark grants funding portal. This lists all recurring grants funding and provides a single point of access online application system.
13. Other resources include the VCS Commissioning Forward Plan which provides details of commissioning opportunities for the coming years.
14. The Southwark Stands Together grants review found that there are obstacles to Black, Asian and minority ethnic groups making successful grant applications. It found that there were gaps in data collection and uncertainty and inconsistency across the council in how data is collected. It also found that a lack of clarity around an agreed definition of what constitutes a Black, Asian and minority ethnic group was an obstacle to effective monitoring and these are addressed in the prospectus and the earlier cabinet report.
15. The changes set out in the prospectus and as recommendations to Cabinet will address these obstacles in a council wide systemic way. Black, Asian and minority ethnic groups must not face obstacles to making successful grant applications.
16. The Communities and VCS Commissioning Team have started to collect this data through the council wide grants portal as grants programmes are launched. This is reported as part of quarterly council plan monitoring.
17. The changes introduced will monitor to what extent Black, Asian and minority led groups are receiving funding that reflects the demography of the borough. As the data emerges officers, working with community representatives will need to identify what steps can be taken to close the gap.
18. As part of Southwark Stands Together - tackling racism and inequality- the council is committed to strengthening our approach to equalities, embedding it in everything we do and to increase representation of Black, Asian and minority ethnic residents in community leadership positions.
19. In addition to monitoring which organisations are making applications and which are successful through the grants portal, the council will monitor whether organisations that are not Black, Asian and minority ethnic led have trustee boards that are reflective of Southwark's demography. There is a long-term challenge in addressing the inequality of leadership and representation for funding that is allocated through contracts with even less Black, Asian and minority ethnic led organisations being awarded contract funding.
20. A steering group consisting of community representatives from Southwark

communities has worked with cross council officers since the spring of 2021. The group has guided the work of the reviews referred to from inception, including specifying the review brief, appointing the contractors, defining key Key Lines of Enquiry, facilitating broader community engagement and providing challenge through all steps of the process around the ambition and scope for change.

Next Steps

21. The prospectus will be updated on an annual basis to ensure that up to date funding information is available.
22. We will agree the long term vision for funding outcomes with the VCS once Southwark 2030 has been agreed.
23. We will be building a strategy around Neighbourhood Based investment in the VCS which will include identifying the gaps in each neighbourhood and understanding how representative organisations are of the local community (including trustees).
24. The prospectus will be available in a pdf document on the council website, shared as a guide with networks, stakeholders and residents groups. Not all the information in the first prospectus will remain current so the annual review will also highlight other changes.
25. As part of this process we will also work with stakeholders on the review of the outcomes framework which is underway to ensure that there is representation for key outcome areas such as reducing food poverty, access to justice, rights and entitlements, digital inclusion and access to services to ensure a focus on addressing inequality and meeting the greatest needs.

Policy framework implications

26. The recommendations support the delivery of the Council Plan to create a fairer and just society and specifically the Southwark Stands Together programme and the commitment to:
 - *Review our grant making and commissioning processes to remove any barriers to equal access to funding and delivery opportunities; to consider:*
 - *How targeted support can be offered to groups from Black, Asian and minority ethnic backgrounds, who have not previously accessed grant funding;*
 - *Whether the way in which we structure our grant making enables or disables people to access these opportunities;*
 - *The support in place for people to access funding;*
 - *Our grant making and commissioning processes and requirements and the barriers these may generate.*

27. Having a strong, vibrant and engaged VCS is a key part of creating a fairer and just society through enabling volunteering, participation, inclusion and well-being at a borough wide and neighbourhood level and supports our VCS strategy and volunteering strategy.

Community, equalities (including socio-economic) and health impacts

Community impact statement

28. The recommendations in this report will have a positive community impact. The reviews were co-produced with a range of community representatives who are network chairs and represent community networks as well as their own organisations. Additional resources in the form of grant funding and improved use of data and intelligence will have a positive impact on communities. There will not be any negative community impacts.
29. In particular building within our ways of working and grant making stronger support for small and community led organizations, recognition for the important role that infrastructure groups play in creating a thriving and connected VCS should support the success of groups run by and for our different communities.

Equalities (including socio-economic) impact statement

30. Section 149 of the Equality Act, lays out the Public Sector Equality Duty (PSED) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. The proposals support the delivery of the PSED and the council's [Approach to Equality](#) by specifically putting in place measures that are designed to reduce inequality. In particular, these proposals aim to:
 - Tackle inequalities affecting Black Asian and minority ethnic residents and Black Asian and minority ethnic led organisations in terms of access to funding and resources
 - Improve the effectiveness of the council's investment in the VCS in terms of tackling broader inequalities, including socio-economic inequality.

Health impact statement

31. These proposals aim to improve the council's effectiveness in tackling inequalities.
32. The socio-economic inequalities experienced by different groups in the borough, including Black Asian and minority ethnic communities, are directly linked to health inequalities and have meant that they have been disproportionately affected by both the pandemic itself and the impacts of lockdowns and other measures. There is evidence that the cost of living

crisis is having a disproportionate impact on Black Asian and minority ethnic communities.

33. Improving access to council funding for Black Asian and minority ethnic communities and other disadvantaged groups will enable organisations to better support the health and wellbeing of their communities. It will also increase their ability to support their communities to access mainstream health services, by overcoming language and other barriers.

Climate change implications

34. Climate change is linked to social justice because the most marginalised communities are at greater risk from the impacts of our changing climate.
35. Black, Asian and minority ethnic organisations that are thriving and sustainable will be in a better position to engage with their communities about climate change and support a just transition to a carbon neutral borough by 2030, as well as support those communities build strategies for mitigating the impact of change.
36. The review of the Common Outcomes Framework will include a review of the 'Greener Communities' outcomes and how they could be clearer and more measurable in terms of reducing emissions and other environmental measures such as improving biodiversity and reducing plastic use.

Resource implications

37. The creation of the prospectus including its annual review will be the responsibility of the Communities and VCS Commissioning Team and can be delivered within existing staff resources.

Legal implications

38. Please see the concurrent report of the Director of Law and Governance below.

Financial implications

39. There are no financial implications as there are no additional costs involved.

Consultation

40. The reviews have been co-produced with a steering group of community representatives who took part in all aspects of the process from the evaluation of tenders, to defining the scope of the review, steering and facilitating engagement with stakeholders and challenging and refining the recommendations. Community representatives have been drawn from networks including Latin American, Southwark REACH (forum of community organisations, voluntary groups and community activists supporting the

Black, Asian and Minority Ethnic community), Carers, Womens, Mental Health and Community Southwark (the umbrella and leadership body for the VCS locally)

41. There has been cross-council engagement with commissioners and a focus group with members of Southwark Funders.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

42. Not applicable.

Director of Law and Governance

43. Cabinet is asked to note the council wide Funding Prospectus for the Voluntary and Community Sector (VCS) as set out in Appendix 1 to this report. Cabinet is also asked to note the principles, commitments and purpose that underpin the funding programmes and the changes to the council's working practice contained in the Prospectus.
44. Approval of the recommendations of this report is consistent with paragraph 10 of Part 3C of the council Constitution, which reserves to the Cabinet the approval of policy and procedures governing the council's relationship with the voluntary sector.
45. The council is subject to the "Best Value" duty (under the Local Government Act 2003) 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 council's approach as outlined in this report appears to be consistent with these duties.
46. Cabinet is reminded that the council is subject to the Public Sector Equality Duty in section 149 of the Equality Act 2010, and attention is drawn to the community impact and equalities impact statements of the report in this regard. The duty 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.

47. Cabinet is also referred to the consultation undertaken as part of the creation of the prospectus, as described in paragraphs 39 and 40 of the report.

Strategic Director of Finance and Governance (FC22/045)

48. The Strategic Director of Finance and Governance notes the recommendations of the report concerning the council wide Funding Prospectus for the Voluntary and Community Sector. The report notes the Funding Prospectus will be a practical guide to how funding is provided to the VCS.
49. Paragraph 36 notes the annual review of the prospectus by the VCS Commissioning Team will be delivered within existing staffing resources and paragraph 39 notes there are no additional financial commitments as a consequence of adopting the Funding Prospectus.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|---|----------------|----------------|
| Link: <u>Southwark Stands Together & Community Investment Reviews</u> | | |
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APPENDICES

| No. | Title |
|------------|------------------------------|
| Appendix 1 | Southwark Funding Prospectus |

AUDIT TRAIL

| | | |
|---|--|--------------------------|
| Cabinet Member | Councillor Stephanie Cryan, Communities, Equalities and Finance | |
| Lead Officer | Caroline Bruce, Strategic Director, Environment and Leisure | |
| Report Author | Andy Matheson, Senior Commissioning Officer, Communities Division, | |
| Version | Final | |
| Dated | 23 November 2022 | |
| Key Decision? | No | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments Included |
| Director of Law and Governance | Yes | Yes |
| Strategic Director of Finance and Governance | Yes | Yes |
| Cabinet Member | Yes | Yes |
| Date final report sent to Constitutional Team | | 23 November 2022 |