

	<b>Classification:</b> Open	<b>Date:</b> 19 July 2016	<b>Decision Taker:</b> Cabinet Member for Communities and Safety
<b>Report title:</b>	Community Capacity and Environment & Ecology Voluntary Sector programme 2017/18		
<b>Ward(s) or groups affected:</b>	All		
<b>From:</b>	Strategic Director of Housing & Modernisation		

## RECOMMENDATION

1. That the Cabinet Member for Communities and Safety approves the continuation of the 2016-17 Community Capacity and Environment & Ecology grants to the same organisations at the same level for 2017-18. A list of these grants is attached as Appendix 1.

## BACKGROUND INFORMATION

2. The corporate and departmental arrangements for managing the council's funding of voluntary and community sector (VCS) organisations normally require annual commissioning plans to be produced for each separate programme of activity resourced by departments. These plans set out the business case for seeking voluntary sector service providers, expected links between the council's policies and priorities and the outcomes that are to be delivered by the voluntary organisations which receive grant aid. The plans also make reference, where appropriate, to the contracting of organisations (via Contract Standing Orders) to deliver services.
3. The services to be provided are of Social General Economic Interest, and are applied to the care and social inclusion of vulnerable groups. An equalities analysis of the 2016/17 recommendations was carried out and the Public Sector Equality Duty has been considered.
4. 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 Communities and Safety.
5. The process for commissioning grant aided voluntary sector service providers for normally involves 3 key stages:
  - Development and agreement of the commissioning plan
  - Advertising and assessment of applications
  - Report & final decisions.
6. For 2017-18 it is proposed to continue to fund the same organisations at the current level. Therefore a new commissioning plan and further application process is not required.

7. Organisations in receipt of grant funding from the council are monitored via the council's performance monitoring framework for grants. This includes an annual monitoring visit; completion of a self-assessment checklist; and submission of financial information including annual accounts and a half-yearly income / expenditure statement.

## **KEY ISSUES FOR CONSIDERATION**

### **Community Capacity and Environment & Ecology Programme**

8. The rationale for continuing the current grants at the same level for another year is set out below.
9. A number of strategic reviews are currently underway or have recently taken place. These are set out below. It is likely that these will result in significant changes to the way the council commissions the VCS.
  - A new voluntary sector strategy is being developed jointly with the voluntary and community sector (VCS) and NHS clinical commissioning group (CCG) and is due to be taken to Cabinet in November 2016.
  - The current review of the council's commissioning arrangements and the proposal to create a single commissioning unit by the council and CCG for overlapping areas
  - Recent rationalisation of VCS infrastructure services in the borough, which from 2015-16 are being funded through a separate contract with Community Southwark, which has recently merged with Volunteer Centre Southwark.
10. Following significant cuts to the programme budget in the last two years, continuing the grants at the same level for another year will create some stability in the programme. Currently funded groups will be notified of the proposal to continue funding for a further year at the current level.
11. Where any significant issues are identified during monitoring which could give rise to a breach in the COGF the council will write to currently funded organisations 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.
12. The council will ensure that the letter advising of the continuation of funding for an additional year explicitly states that there are exceptional reasons for the extension of funding for the year 2017-18 only. Organisations will be advised that subject to the outcome of the strategic reviews referred to in paragraph 9 above, there may be a need to consult on options for alternative approaches to funding priorities and processes for this grant programme for 2018-19 onwards.
13. This table summarises changes to the Community Capacity programme since 2011-12:

Year	Savings	Groups - funding stopped	Groups newly funded	Total funding
2016/17	£139,025	1 (+2 who chose not to apply)	1	£729,426*
2015/16	£161,937	7	2	£851,451 (+ £130k for ITVSS contract)
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

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

14. The objectives of the Community Capacity and Environment & Ecology programme are to fund organisations that:
  - **Engage with diverse local communities** in order to redress imbalances in quality of life outcomes
  - **Develop and sustain multi-purpose community bases** aimed at tackling social exclusion in deprived areas and neighbourhoods
  - **Promote a greener borough** via the environment and ecology objectives.
15. These objectives fall within the Council Plan and the ten Fairer Future promises (updated July 2014) to create a fairer future for all in Southwark.
16. The purpose of the Community Capacity and Environment & Ecology voluntary sector funding programme is to assist 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.
17. 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.
18. Two additional clauses are to be included in the COGF for 2017-18. These cover the council's Diversity Standard commitment and the council's Prevent Duty.
19. Grant funded VCS organisations will be 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.
20. 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.

21. The council's Policy and Resources Strategy 2016/17 to 2018/19 Revenue Budget was agreed in February 2016, in the context of unprecedented cuts in its budget settlement from government.
22. For 2017/18, it is not anticipated that there will be a reduction to the Community Capacity / Environment & Ecology programme budgets, but this is subject to the council agreeing its overall budget for that year.

### **Strategic Review of the Council's Relationship with the Voluntary Sector**

23. The council's current commissioning approach is set out in the VCS Framework, which was agreed by the Executive in 2007. This document sets out the policy and principles governing the council's arrangements for working with, support to and resourcing of Southwark's voluntary and community sector (VCS).
24. In relation to commissioning and funding the VCS, the Framework sets out that the council will operate a mixed economy of grant aid and contracts and will where possible operate on a three-year cycle.
25. The council's Medium Term Resources Strategy 2015-16 to 2017-2018 incorporates the VCS Strategy and a number of outcomes and principles of working with the VCS.
26. As described in paragraph 9, in 2016 a new tri-partite voluntary sector strategy is currently being co-produced by the council, NHS Clinical Commissioning Group and VCS to be approved by Cabinet in November 2016, which may result in significant changes to the way the council commissions the VCS. The strategy will incorporate these basic principles:
  - Recognition of the significant financial challenges across the partners
  - Need to focus on outcomes for residents
  - Need to improve outcomes for people affected by complex social issues such as mental health issues, domestic abuse and long term health conditions
  - Need for a thriving VCS that makes best use of community resources
  - Need to work strategically across the partnership and wider community to build the capacity of the partners, promote volunteering and support fundraising.

### **Community Impact Statement**

27. There is a legal duty on local authorities to promote equal opportunities, eliminate discrimination and to promote positive community relations. The objective of the Community Capacity and Environment & Ecology programme is to empower and enable hard-to-reach communities and those communities which experience discrimination, to achieve a better quality of life.
28. 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 2010 Equality Act. This information is used to assess the equalities impact of the Community Capacity 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).
29. 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).

### **Resource implications**

30. The total budget available in 2017/18 to fund the Community Capacity programme and the Environment and Ecology programme has been determined at the current 2016-17 level but as is the case every year will be subject to final approval as part of the council's budget review process.
31. In 2016/17 the total budget for the Community Capacity and Environment & Ecology programme is £729,426.
32. The council is committed to providing 3 months notice of funding decisions where necessary which would normally need to be factored into the budget; however as it is proposed to continue to fund all organisations at the same level this will not apply for 2017-18.

### **Consultation**

33. A number of consultation events are taking place with the VCS which will result in a new co-produced VCS Strategy for approval by the council's cabinet and the CCG governing body later this year.

### **Supplementary Advice from Other Officers**

#### **Director of Law and Democracy**

34. The director of law and democracy notes the contents of this report and confirms that under Part 3D of the council's Constitution the agreement of significant programmes relating to revenue and capital budget allocations and the approval of grants of over £2,500 to voluntary sector organisations is a matter that is reserved to IDM for decision.
35. Pursuant to section 149 of the Equality Act 2010 the council has a duty to have due regard in its decision making processes to the need to:
  - (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not;
  - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
36. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The PSED also applies to marriage and civil partnership, but only in relation to (a) above.
37. Paragraphs 27 to 29 of this report show that this duty has been complied with.
38. Paragraph 20 correctly outlines the council's 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".

#### **Strategic Director of Finance and Governance (FIN0908 – JB)**

39. The report sets out the rationale for maintaining the existing programme for 2017/18 as an exception to the regular commissioning process at paragraph 9. The report highlights the ongoing monitoring and reporting frameworks funded bodies are required to adhere to as part of the conditions of grant funding. Paragraph 11 provides a summary of the process for terminating funding should significant issues be unresolved.
40. Paragraph 30 details the current budget available and notes the 2017/18 budget setting process. Until the budget setting process is completed future budget values are only indicative.

## BACKGROUND PAPERS

Background Papers	Held At	Contact
Community Capacity and Environment Ecology commissioning plan 2016-17	Housing & Modernisation 160 Tooley St SE1P 5LX	Andy Matheson 020 7525 7648
Equalities statement	Housing & Modernisation 160 Tooley St SE1P 5LX	Andy Matheson 020 7525 7648
Southwark Compact	Housing & Modernisation 160 Tooley St SE1P 5LX	Andy Matheson 020 7525 7648
Council-Voluntary and Community Sector Framework Document - April 2007	Finance & Governance 160 Tooley St SE1P 5LX	Andy Matheson 020 7525 7648
Medium Term Resources Strategy 2015-16 – 2017-2018	Housing & Modernisation 160 Tooley St SE1P 5LX	Andy Matheson 020 7525 7648

## APPENDICES

No.	Title
Appendix 1	Community Capacity and Environment & Ecology programme: list of funded organisations 2016-17

## AUDIT TRAIL

<b>Lead Officer</b>	Stephen Douglass, Director of Communities	
<b>Report Author</b>	Katherine Pitt, Commissioning Officer, Housing & Modernisation	
<b>Version</b>	Final	
<b>Dated</b>	19 July 2016	
<b>Key Decision</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional team</b>	19 July 2017	