



Cabinet
8 February 2016

**Report from the Director of
Performance, Policy and
Partnerships**

For action

Voluntary Sector Initiative Fund - Local Grants 2016 - 2018

1.0 Summary

- 1.1 This report seeks agreement on amendments to the Voluntary Sector Initiative Fund – Local Grants funding stream from April 2016.
- 1.2 The current Voluntary Sector Initiative Fund (VSIF) which was approved in 2012 has been allocated to four funding streams: i) Local Grants ii) Infrastructure Support - CVS iii) Advice & Guidance Contracts and iv) London Council's Grant with a total yearly budget of £2.04M.
- 1.3 An annual £410K savings requirement from the VSIF, to be implemented from April 2016, was agreed as part of the Council's wider budget savings in February 2015. Annual savings of £242K have been realised as part of the Advice Agencies Review which leaves an annual saving of £168K to be made from the VSIF Local Grants budget.
- 1.4 The current annual VSIF - Local Grants budget of £691K will be reduced by £168K to £523K. In the recent Advice Agencies Review a new advice model was approved which includes a small grants provision of £242K (up to 10K each). It was approved that this £242K will come from the VSIF Local Grants budget and has therefore been separated from the Local Grants budget for 2016. £242K of the Local Grants budget for 2016 has been allocated to Advice Grants which with the budget reduction of £168K leaves an annual allocation of £281K for VSIF Local Grant from 2016.
- 1.5 The current VSIF Local Grants were allocated to projects aligned to the Borough Plan. The VSIF Local Grants included two grant programmes – i) main grants – 3 year grants up to maximum of £25K per year and ii) small grants – yearly grants up to a maximum of £10K.

2.0 Recommendations

Cabinet are asked to:

- 2.1 Agree to the continuation of the Voluntary Sector Initiative Fund – Local Grants from 2016 with the following changes:
 - Alignment of the priorities of the grant programme to the priorities of The Borough Plan 2015 - 2019

- A decrease of the total annual amount of funding available of £168K.
- A change of term of grant funding from 3 years to 2 years
- To maintain the maximum grant available at £25K per year per project
- An introduction of a grant condition of paying all staff funded through the grant the London Living Wage

2.2 Agree to £50K of the Local Grants funding to be allocated to support the implementation of the Community Action Groups.

3.0 Detail

The Voluntary Sector Initiative Fund – Local Grants Programme is one stream of the Voluntary Sector Initiative Fund (VSIF). This report looks only at changes within the VSIF Local Grants Programme.

Background of VSIF 2012-16

- 3.1 The VSIF was created in 2012 from the previous Main Programme Grant & Advice budgets and was the result of extensive public consultation with voluntary sector organisations. The VSIF has been allocated into four funding streams: i) Local Grants ii) Infrastructure Support iii) Advice & Guidance Contracts and iv) London Council's Grant with a total yearly budget of £2.04M. The budget for the local grants was allocated to Borough Plan aligned projects. There were 2 VSIF local grants programmes during this 2012-2016:
- 1) VSIF Local Grants - 2012-2015
 - 2) VSIF Local Grants - 2013-2016
- 3.2 The first round of themed funding for the financial year 2012-13 was allocated to be used for projects which ran for 2 years and 9 months and which were aligned to the Borough Plan priorities excluding crime and regeneration. These are referred to as VSIF Local Grants 2012-15. A budget allocation of £661,147 was allocated between 12 projects around the three themes a) supporting children and families and enabling young people to thrive; b) addressing health and well being and c) protecting our environment and enhancing our cultural offer.
- 3.3 51 bids were received from 49 organisations seeking a total of £3,017,367. 12 organisations were grant funded for a total of £661.147 for the 2 years and 9 month projects. This averaged out at £241,500 per full year. The average yearly funding per group was £20,158 in 2014/5.
- 3.4 The second round of grant funding commenced in 2013/14 for projects aligned to the Borough Plan priorities. There are referred to as the VSIF Local Grants - 2013-2016.
- 3.5 65 bids were received from 65 organisations seeking a total of £3,017,367 over a three-year period. 14 organisations were grant funded for a total of £951,363 for the 3 year projects. This averaged out at £317,121 per year. The average yearly funding per group was £22,892 in 2015/6.
- 3.6 £163,338 remained from the budget approved by the Executive in February 2013. This amount was split between the three years and allocated as small grants with a maximum value of £10K and a time limit of one year. This averaged out at £54,446 per year.
- 3.7 A full summary of the organisations funded through the 2 VSIF Grants Programmes is attached as Appendix 1.

Alignment to The Borough Plan 2015-2019

3.8 The new priorities for the VSIF Local Grants will align to the Borough Plan 2015 – 2019 priorities:

Better lives

- Supporting local enterprise, generating jobs for local people and helping people into work and promoting fair pay
- Making sure that our children and young people have access to the best education and training, achieve to their potential and have the best start in life
- Enabling people to live healthier lives and reducing health inequalities
- Supporting vulnerable people and families when they need it

Better Place

- Making sure that Brent is an attractive place to live with a pleasant, sustainable environment, clean streets and well cared for parks and green spaces
- Continuing to reduce crime, especially violent crime, making people feel safe
- Increasing the supply of affordable, good quality housing
- Providing good quality, accessible arts and leisure facilities

Better Locally

- Building community resilience and promoting citizenship
- Making sure that everyone in the borough is able to participate in local democracy, has a fair say in the way that services are delivered and is listened to and taken seriously
- Working with partners to find new ways or providing services that are more finely tailored to individual, community and local needs

3.9 All grant documentation, guidance and publicity will be updated to reflect this.

VSIF Budget

3.10 The Voluntary Sector Initiative Fund 2015/16 had an annual budget of £2.04M over four broad funding streams. This amount has been in place since 2010. The budget has been protected since this date.

Voluntary Sector Initiative Fund (VSIF) 2015/16	
Advice and Guidance Contracts	£842K
Local Grants	£691K
Infrastructure - CVS	£161K
London Council's Grant	£341K
TOTAL	£2.04M

There is a £410K saving requirement from the VSIF to be implemented from April 2016. This saving was agreed as part of the Council's wider budget savings in February 2015. Following the Advice Agencies Review in 2015 a saving of £242K will be realised from the Advice and Guidance Contracts funding stream from April 2016. The remaining £168K saving will be realised from the Local Grants funding stream.

The new advice and guidance model includes a grant provision of £242K which will be distributed in small grants (up to £10K each) to multiple local organisations to help build the capacity of a network of local advice providers in Brent. This part of the new model will be funded by the Local Grants funding stream.

The redirection of this funding coupled with the £168K saving requirement means that a total of

£281K per year will be available in the Local Grants funding stream from April 2016. £50K of the £281K will be allocated to the Community Action Groups resulting in £231K annual funding for the Local Grants.

Voluntary Sector Initiative Fund (VSIF) 2016/17	
Advice and Guidance Contracts	£600K
Local Grants (Advice - small grants to advice providers)	£242K
Local Grants	£231K
Local Grants (Community Action Groups)	£50k
Infrastructure	£161K
London Council's Grant	£341K
TOTAL	£1.63M

- 3.11 The London Council's Grant was taken as a saving from 2017 in the 2014/15 budget by members, but this is subject to a two thirds majority of London Councils agreeing to reduce the funding to the London Grants programme to make a cut.

VSIF Local Grants – Length of Grants

- 3.12 The VSIF grants are currently allocated for a three year period. Options for changing the time period of the grants are detailed below:

Option 1 – One Year Grants

This option would mean that grants would be allocated for a 1 year period. One round of grants would be run every year. This would increase the number of groups who accessed funding but could decrease the effectiveness of any funded project in terms of having enough time to develop the project, recruit staff, attract clients, deliver outcomes and develop the project enough to be able to develop a sustainable exit strategy. This option would also require more staff hours from council officers and increase costs for all aspects of administration of the grant.

Option 2 – Two Year Grants

This option would mean that grants would be allocated for a 2 year period. One round of grants would take place every two years. This would decrease the number of groups (compared to option 1) who accessed the funding but could increase the effectiveness of the project in terms of having enough time to develop the project, recruit staff, attract clients, deliver outcomes and develop the project enough to develop a sustainable exit strategy. The current council budget has been agreed for the VSIF for the period from 2016 – 2018. If additional cuts to the VSIF budget are made in 2019 then this option presents no risk for the council in fulfilling the grant funding commitments.

Option 3 – Three Year Grants

This option would mean that grants would be allocated for a 3 year period. One round of grants would take place every three years. This would decrease the number of groups (compared to option 1 and 2) who accessed funding. Feedback from the organisations that have been funded has been positive as it has led to the projects to have some sustainability however it has meant that the opportunity for other organisations to be funded to tackle emerging issues is limited as access to the grants is only available on a three yearly basis. The current council budget has been agreed for the VSIF for the period from 2016 – 2018. If additional cuts to the VSIF budget are made in 2019 it could be a risk that grant funding commitments could not be fulfilled.

Option 2 is recommended as the preferred option.

Grant Value

- 3.13 The current maximum grant value is £25K. It is recommended that this maximum amount is maintained. If this amount is increased the number of organisations who are able to access the funding will be decreased. If the amount is reduced the ability of organisations to deliver meaningful projects will be decreased. The average grant given out was £21,525 per funded group.

Grant Conditions

- 3.14 In line with Brent's Borough Plan 2015-2019 an additional grant condition will be introduced that all posts funded through the grant will need to be paid at least the London Living Wage. Of the 14 projects funded through the VSIF 2013-16 all projects used part or all of the grant to fund staffing costs. Analysis has not been undertaken to identify what percentage of these are currently below the London Living Wage (if any). The new grant condition is recommended only to apply to those staffing costs funded through the grant and not for other staffing roles within the organisation.

Timetable for VSIF Local Grants 2016-2018

- 3.15 The outline timetable for the new programme of grants will be:
- March 2016 – Local Grants 2016 opens with a deadline date 8 weeks after fund launched.
 - March & April 2016 – Publicity, Promotion, Grant Workshops, CVS support to groups.
 - May 2016 – Grant appraisals and approvals undertaken
 - June 2016 – Grants awarded and contracts signed
 - July 2016 – Projects commence.

4.0 Financial Implications

- 4.1 The Voluntary Sector Initiative Fund 2015/16 budget is £2,043,228. The recommendations made in this report will enable the Fund to achieve its 2016/17 efficiency savings of £410k and still be able to achieve its service objectives by aligning its priorities to the borough plan

5.0 Legal Implications

- 5.1 Under S1 of the Localism Act 2011 the Council has a general power of competence to do anything which an individual may do unless it is expressly prohibited.
- 5.2 The giving of grants to voluntary organisations is a discretionary power which must be exercised reasonably taking into account all relevant considerations and ignoring irrelevant considerations.
- 5.3 The decision to award a grant is discretionary. The Council's discretion must not be fettered by previous commitments they may have given and it should make its decision in the light of present circumstances.
- 5.4 Under section 3(1) of the Local Government Act 1999, Brent Council, as a "best value authority" is under general duty of best value to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Under the duty of best value, the Council should consider overall value, including environmental and social value, when reviewing service provision.
- 5.5 Before deciding how to fulfil their best value duty, local authorities are required to consult a wide range of local persons, including voluntary and community sector organisations and businesses as set out in section 3(2) of the Local Government Act 1999.

- 5.6 In March 2015, the Government circulated revised Best Value Statutory Guidance. According to that Guidance, local authorities should be sensitive to the benefits and needs of voluntary and community sector organisations and should seek to avoid passing on disproportionate cuts.
- 5.7 The Guidance also advises that a local authority intending to reduce or end grant funding or other support to a voluntary or community organisation that will materially threaten the viability of the organisation or service it provides should give at least three months' notice to both the organisation involved and the public/service users. The Guidance also advises that a local authority should actively engage the organisation as early as possible on the future of the service, any knock-on effect on assets used to provide this service and the wider impact both on service users and the local community.
- 5.8 The Guidance also advises that where appropriate, local authorities should make provision for an affected organisation or wider community to put forward options on how to reshape the service or project and local authorities should assist this by making available all appropriate information.

The full guidance is available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418505/Revised_Best_Value_Statutory_Guidance_final.pdf

- 5.9 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 5.10 In the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
 - advance equality of opportunity between people who share a protected characteristic and those who do not
 - foster good relations between people who share a protected characteristic and those who do not
- 5.11 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Council, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 5.12 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:
- <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-actcodes-of-practice-and-technical-guidance/>
- 5.13 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

- The essential guide to the public sector equality duty
- Meeting the equality duty in policy and decision-making
- Engagement and the equality duty
- Equality objectives and the equality duty
- Equality information and the equality duty

5.14 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

<http://www.equalityhumanrights.com/advice-and-guidance/public-sectorequalityduty/guidance-on-the-equality-duty/>

6.0 Diversity Implications

6.1 All equalities groups will be considered when awarding grant funding. However, due to the cumulative and disproportionate impact of budget cuts on some protected groups there may be a need for positive action towards those groups worst affected when awarding grant funding. This will be considered against each of the protected groups' level of need in the borough in context of budget cuts. A full EqIA has been attached as Appendix 2.

7.0 Background Documents

- Brent Advice Agencies Review – Cabinet Report 16/11/2015
- Brent Borough Plan 2015- 2019
- Brent Voluntary Sector Initiative Fund 2012 - 2016 Cabinet Report and Appendices 2012

8.0 Appendices

- Appendix 1: Summary of VSIF funded projects – 2012 – 2016
- Appendix 2: Equality Impact Assessment Report – VSIF 2016-2018

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