



Report for: ACTION
Item Number:

Contains Confidential or Exempt Information	No
Title	Future funding for the voluntary sector
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Portfolio(s)	Cllr Jasbir Anand, Thriving Communities
For Consideration By	Cabinet
Date to be Considered	15 June 2022
Implementation Date if Not Called In	28 June 2022
Affected Wards	All
Keywords/Index	Grants, voluntary sector

Purpose of Report:

To request that Cabinet approve a six-month extension to the existing funding programme to allow for a full consultation and application process for the 2023-27 programme.

To request that Cabinet agree the proposed consultation process and timescales for future arrangements for funding of the Voluntary and Community Sector (VCS) grants programme. The proposal to consult covers services for the period 2023/24 to 2026/27 in the context of the budget setting process.

1. Recommendations for DECISION

That Cabinet

- a) Approve a six-month extension from 1 April 2023 to 30 September 2023 to the existing grants in the 2019-23 VCS Funding Programme subject to satisfactory monitoring of current service delivery costing £1.12m.
- b) Approve the proposals for consultation on the 2023-27 VCS funding programme.

2. Recommendations for NOTING

That Cabinet notes there will be a future report following the consultation on the 2023-27 VCS funding programme with recommendations for priorities and budget allocations.

3. Reason for decision and options considered

3.1 A six-month extension to the current VCS funding programme is needed to allow

sufficient time for a reasonable and rational consultation process post-election and the application and assessment processes for the VCS funding programme for 2023-27. The extension also factors in adequate notice for currently funded VCS organisations to wind down their existing activities and for the newly funded organisations to mobilise in advance of the start of delivery of services from 1 October 2023.

3.2 Not to extend the current grant funding would mean that a number of key services would cease to be provided whilst the application process for the 2023-27 programme was being conducted.

3.3 The council is obliged to consult with the voluntary sector about grant funding. Not to consult would be contrary to the commitment to the voluntary sector through the joint council, CCG and VCS partnership agreement.

4. Key implications

4.1 Extension to the current programme

The current VCS grants programme 2019-23 includes grants for:

- (1) Community Connections
- (2) Information and advice
- (3) Support for carers
- (4) Mental health support
- (5) Domestic violence
- (5) VCS infrastructure support.

Appendix 1 sets out 2019-23 grant allocations in these areas.

Funding agreements across these areas currently terminate on 31st March 2023.

Allowing for time periods for the consultation post-election, reporting to Cabinet for decision on the format of the next programme at its meeting in November 22, the application and assessment process, the giving of three months' notice of grant awards, and allowing for the possibility of applicants making appeals on grant award decisions – it is proposed that the new grants will start from 1 October 2023.

The budget required to extend the funding will be £1.12m which is currently budgeted for within the existing MTFS.

4.2 VCS – council relationship

A strong relationship between the council and the local VCS is essential to delivering community outcomes. The VCS has deep and effective links into communities including reaching residents that the council finds it harder to reach. This was highlighted during the Covid-19 pandemic when the council, established VCS and newer groups collaborated to support vulnerable residents. We want to build on that strong and long-established relationship and support the sector to thrive.

All partners recognise that this is a very challenging time for the sector as it looks to rebuild post the pandemic. Public sector funding, including from the council, is not at the level it once was whilst social needs for example health inequalities and for assistance with the cost of living are increasing. We know also that there are things the council must do better. For example, the independent race equality commissions report highlights the need for deeper engagement between the council and community. There

are also opportunities including use of technology to fundraise and the upsurge in volunteering seen during the pandemic.

The recently agreed partnership agreement between the council, VCS and CCG sets out a shared vision for how public and voluntary sector partners should work together to build on strengths and deliver for Ealing. Continued commitment to grant funding is an essential part of that relationship but grant funding is only one of the ways in which the council can work with and support a thriving voluntary sector.

For example, the council awards contracts of over £36m a year to the voluntary sector with many being Ealing registered organisations. Through the recently agreed Social Value policy the council will be working with local providers including the voluntary sector to grow the number of local suppliers to the council.

The council owns a number of buildings in the borough which are utilised by the voluntary sector to deliver services, sometimes on a subsidised basis. The overall current subsidy amount is around £0.35m p.a. The manifesto of the recently returned Labour administration includes a commitment to introduce a Community Access Guarantee for the council's buildings. The council will be looking to take this forward to help ensure that community groups, start-ups and social enterprises can easily find accessible and affordable space in all parts of the Borough.

The council has been working with the voluntary sector to address the challenges of digital exclusion. This includes training 25 digital champions in 2021/22 (with plans to train a further 25 in 2022/23), the creation of a scheme to provide laptops to vulnerable individuals and also VCS organisations working to provide support.

The council can play an important brokerage role working with other partners to bring resources into the borough and ensure that the sector receives a fair share of funding. Examples of this include partnering with West London Mental Health Trust to administer grants to Ealing of around £0.25m and designing the VCS into the support pathways for the winter household support fund in Ealing.

The £1.5m/year the council invests in the VCS grant programme is nevertheless an important contribution as it often meets the costs of activities that other funders would not fund. This report focuses on the council's recommissioning of that funding

4.3 VCS grant funding for 2023-27

Cabinet is asked to agree the proposals being developed for consultation for the next 4-year funding programme.

A cross-departmental Internal Working Group (IWG) has been meeting regularly since January 2022 to oversee arrangements for the 2023-27 VCS funding programme. The group consists of representatives from Adults' Children' Public Health, S&E and Community Safety as well as the Ealing Clinical Commissioning Group (CCG) who have committed funding to the funding programme. These representatives have been liaising with Directors on the key issues including the priorities for funding, budget allocations, timetable, decision making process and the public consultation proposals

Discussions about the 2023-27 programme have taken into account the experience of the last four years in terms of the impact that the existing funding programme has had on residents. The IWG has also considered how the landscape has changed over the past four years, for example, as a result of the Covid pandemic, increases in the cost of living,

changes to the demographic profile of the borough, the new manifesto commitments and equalities issues including those raised through the Race Equality Commission.

These discussions have resulted in some principles for the 2023-27 programme and some key priorities.

- **A 4 year grants round:** The council and CCG¹ are committed to a 4 year funding round for 2023-27 to provide security for funded organisations however annual allocations will be subject to confirmation via the annual budget process for both the council and CCG. As the proposed six-month extension of the existing grants programme will cover the period up to September 2023, the 2023-27 programme will run for 4 years from 1 October 2023 to 30 September 2027.
- **A co-ordinated funding process involving all council departments and CCG:** A co-ordinated process enables us to consider needs across service areas and consider aligning resources around a need or cohort in line with the council and CCG priorities
- **Funding allocations which take into account the budget at the same level as in 2019-23:** It is proposed that the annual budget will be £1.5m from council finances together with an estimated £669k from health partners. This would ensure that there is no cut to the annual VCS funding budget for the duration of the next programme, notwithstanding the £72m budget gap the council faces over the next 3 years.

Emerging future funding streams

Having carried out a thorough review of the existing 2019-23 VCS funding programme it is proposed that the priorities for 2023-27 remain broadly in line with those currently funded as, to take funding out of these areas, will have a detrimental impact on residents. As there is no increase in budget available, it may be necessary to adjust the allocation of the funding across the priorities for the new programme, but this will be finalised in response to the consultation feedback.

Cabinet is asked to note the emerging funding streams and potential budgets set out below. The specific factors informing the selection of priorities for each funding stream have focused on

- eliminating duplication;
- targeting on the basis of higher needs being protected;
- assessing cross-cutting impacts;
- assessing the development of priorities with due regard to the public sector equality duty.

Community Connections / Prevention

This priority is key in terms of preventative activities as part of the council's general obligations under the Care Act 2014. It will provide a programme for all ages and abilities across the borough including activities for older adults, people with long term conditions, disabilities, autism and mental health issues, vulnerable and isolated children, young people and families and carers. The aim will be to strengthen communities and build local networks linking people up to each other and to local activities and services. The programme will also deliver key health and self-care messages and activities to increase health and wellbeing as well as activities to support the recovery from Covid, the impact of delayed health care through the pandemic and links to social prescribing.

¹ From 1 July the CCG will become the Integrated Care Partnership (ICP) but discussions have taken place about the ongoing commitment to the VCS funding programme when this change occurs.

Information and advice

Being able to access good information and advice will mean that demand for services can be managed more efficiently and effectively. The funding will provide a 'one stop shop' of specialist, generalist and children's specific information and advice providing free information and advice through appointments based at a centrally located hub with surgeries based in various locations of the borough. Residents will be able to access support directly via face-to-face appointments, telephone, and internet and smartphone services.

Mental Health

Support for mental health is a key priority as it is an increasing pressure. Support will continue to be delivered in two key areas.

- Talking therapies – Provision for talking therapies for adults in Ealing with common mental health needs, such as depression and anxiety and for those with complex needs such as personality disorder, substance use and psychosis.
- Community support - A wide range of advice and support services for people with serious and long-term mental health needs to enable them to live well in their communities. The service will work alongside other community mental health services to support people to stay well, access opportunities in employment, leisure, and education, and to contribute to their communities, as well as contributing to greater resilience and mental wellbeing in Ealing.

Respite care

Support for carers is much needed, not only for the carers themselves but also in terms of managing demand for council services. It is intended to fund planned short-term breaks for families and other unpaid carers of adults over 50 who live in the borough of Ealing. In addition, there will be services for young carers such as after school clubs and holiday clubs.

Domestic violence

Support for domestic violence services is very important especially in response to increases in the number of cases being reported. It is intended that there will be two main areas of support.

- Therapeutic support – support to children and young people experiencing the effects of domestic violence including parenting support to help parents understand the impact of domestic violence on family life and supports them to make new arrangements for their children.
- Advocacy services – a general independent domestic violence advocacy service based on comprehensive risk and needs assessment to all victims, including male victims as well as targeted support for Black, Asian and minority ethnic communities through an advocacy service for female victims of domestic abuse.

Infrastructure support

The VCS is key to helping the council deliver services both now and in the future. It is therefore vital that the large number of voluntary sector organisations can be supported in order that they can thrive and develop. Funding will be focused on a number of areas

- VCS capacity building and development support service for all voluntary and community groups working in the Ealing.
 - Developing the capability of the VCS to be more effective in delivering outcomes for those that need it most and more efficient in running their organisations
 - Focusing support on improving how the VCS can leverage further investment into the borough, as well as developing the capability for the VCS to be more financially sustainable

- Providing a voice for the sector raising issues important to the sector with the council and CCG.
- Support for and coordination of volunteering and social action in the borough
- Small grants to support organisations providing projects designed to benefit the local community.

Delivery and funding

The proposal for the 2023-27 funding programme will be that all priorities will be delivered via grants rather than contracts which is an arrangement supported by the voluntary sector. Note: funding is currently via contracts for two of the existing mental health support services.

Options will be set out in the consultation for how some of the funding streams can be delivered i.e. through having large grant awards to a consortium to deliver a range of services, having grants to individual organisations to deliver specific services, combining existing funding arrangements to provide better coordination, etc. These options are currently being developed following an evaluation of the existing programme, an analysis of need and engagement across the council and with the CCG.

The budgets for the 2019-23 programme for each priority are set out below, however these will be subject to review for the 2023-27 programme following the outcome of the public consultation. As there is no increase in budget for the new programme, it should be noted that there may need to be a reallocation across the priorities or an allocation for any new or emerging priorities that are identified through the consultation process.

	Funding Stream	Current funding level
A	Community connections / prevention	£0.420m
B	Information and advice	£0.547m
C	Mental health	£0.385m
D	Short breaks/respite care/young carers	£0.405m
E	Domestic violence	£0.258m
F	Infrastructure support and small grants	£0.226m
		£2.241m

Although the budget for the 2023-27 VCS funding programme is set, throughout the duration of the grant period however the availability of additional external funding will be explored as a means of supplementing the budget. For example, in 2021-22 the council received over £30,000 from WL NHS to increase the amount of small grants funding and in 2022-23 WL NHS have provided funding in excess of £230,000 for projects to support both adults and young people dealing with mental health issues.

Consultation

It is proposed that the council consults on the proposed funding streams, priorities and draft EAAs. The consultation is intended to be as inclusive as possible, building on the findings of the Race Equality Commission. It will be publicised widely through a number of channels including social media, press releases, through VCS databases etc to ensure the maximum awareness of the process and to encourage as many organisations as possible to participate. The consultation is planned to begin by July 2022.

- **Internal consultation – cross cutting issues.** Some of the proposals may have cross cutting implications. In some cases, services provided by a voluntary sector organisation and funded by one council department may be relied upon by another council team. The Working Group have co-ordinated the planning to take account of this.
- **External/Public consultation** - The VCS, their service users and interested public will be consulted on the funding streams. This will be via a general consultation event bringing together a wide range of VCS organisations to discuss the whole programme, a series of externally facilitated workshops focused on specific funding streams such as for example, infrastructure and community connections which cut across the whole sector, and the opportunity to respond in writing to the proposals. The public consultation will highlight that this is funding for a new programme and not a continuation of the current programme.

The key consultation questions will include the following:

- a) Are these the right funding streams?
- b) Are these the right priorities within each funding stream?
- c) Any there any funding streams/priorities missing?
- d) Is the balance of funding right?

In addition to questions about the funding streams, the consultation will also ask for the following:

- views on the impact of the proposals on people with protected equality characteristics under the Equality Act 2010.
- the type of support that VCS organisations need in order that they can make strong bids for the funding.
- the benefits (or otherwise) of delivering services via consortia
- the most effective methods of monitoring the delivery of services.

EAAAs

Because of the nature of the proposals the categories of carers and health will be added to the draft EAAAs as was the case for the 2019-23 programme. Whilst these are not protected characteristics themselves, they are important considerations for these proposals and formed part of the current funding programme documentation.

Decision making arrangements

The proposal is that Cabinet will be asked to determine the amount of funding available, the priorities, grant criteria, selection process and authorise the Director of Strategy and Engagement to award grants at its meeting in November 2022 in the light of the outcome of the consultation and analysis of the impact on those with protected equality characteristics.

5. Finance

a) Financial impact on the budget

This budget is equivalent to the annual budget for the 2019-23 programme with the council's contribution being within the current MTFs. The proposal relates to existing budgets which sit within Strategy & Engagement in the Chief Executive's Office. The

approved revenue budget is £1.5m for VCS funding on an annual basis for the duration of the programme.

b) Financial background

The overall VCS grants programme will be funded via a consolidated budget of £2.241m of which £0.669m is a contribution from the CCG. The funding from the CCG is however subject to their own budget considerations and will be confirmed in line with their decision-making timescales.

6. Legal

6.1 There are a number of specific statutory powers that permit the Council to award grants. In addition to this, Section 1 (1) Localism Act 2011 gives Local Authorities the power to do anything individuals may do unless it is specifically prohibited in legislation.

6.2 There is no strict legal definition of a grant. A grant is a gift and is based in trust law as opposed to the law of contract. However, grants are often given for a purpose so on the face of it can be unclear whether a grant has been made or the arrangement is a contract for services. A contract for services is not a grant and therefore, an arrangement which is classified as a contract for services.

6.3 When making decisions the Council must act reasonably and rationally. It must take into account all relevant information and disregard all irrelevant information and consult those affected, taking into account their views before final decisions are made. It must also comply with its legal duties, including relating to equalities as referred to below

6.4 In doing this, the Council must act in accordance with the duty under section 3 Local Government Act 1999 (the Best Value duty) to secure continuous improvement in the way their functions are exercised having regard to a combination of economy, efficiency and effectiveness and to take steps to involve representatives of local persons, including local voluntary and community organisations by way of consultation. Statutory Guidance in respect of Best Value duty states that councils should be responsive to the benefits and needs of voluntary sector and community sector organisations of all sizes (honouring commitments set out in Local Compacts) and small businesses.

6.5 The Council entered a new partnership agreement with the voluntary and community sector (formerly The Compact) in March 2022.

6.6 The Council must give due regard to the impact on protected equality groups before any decision is made. This includes consideration of the cumulative effect of proposals. Where impacts are adverse, we are required to consider revising proposals to eliminate the adverse impact. If this is not possible, The Council is required to consider how to mitigate adverse impact.

6.5 To ensure a lawful and reasonable consultation the Council shall adopt the “Gunning principles”. These are:

- a) Proposals are at a formative stage and responses can influence the final decision
 - The consultation will focus on priorities/priority groups which could be changed/deleted/added to following the consultation. Prioritisation may also influence value of individual grants
- b) There is enough information provided for the consultees to be able to give ‘intelligent consideration’ of the proposals

- Details of the overall context and budgets by department will be provided for information only. An explanation of the priorities and priority groups will be given together with any changes from the 2019 grants round highlighted for consultation
 - There is enough time for the consultees to consider and respond to the proposals through a 12-week consultation
- c) Conscientious consideration must be given to the consultation responses before the decision is made with evidence available that responses have been taken into account

7. Value for money

Future grants will go through an application process to ensure that the services required will be delivered in the most effective and cost-efficient way. An evaluation of the impact of the current grant funded services and their value for money has informed the priority setting for 2023 onwards.

8. Sustainability Impact Appraisal

These proposals do not directly impact on the council's sustainability objectives.

9. Risk management

The consultation and equalities analysis for the VCS commissioning process for 2023 will inform the priorities for future grants and support the Executive Directors to make informed decisions. These future decisions will also have regard to the impact on VCS organisations and the communities they support and the need to target funding in priority areas. This should also support the council in relation to defending any legal challenges that may arise.

10. Community safety

One of the funding streams is for domestic violence and the proposal is consistent with priorities in the Safer Ealing Partnership Strategy specifically relating to tackling vulnerability and building confidence and resilience. It is also one of the strands outlined within Ealing's Violence against Women & Girl's Strategy.

11. Links to the council priorities

The council's administration has three key priorities for Ealing. They are:

- fighting inequality
- tackling the climate crisis
- creating good jobs.

Support for the VCS through the commissioning of services/activities underpins all priorities, but especially fighting inequalities.

12. Equalities and community cohesion

Draft Equality Analysis Assessments will be included in the consultation document. As part of the consultation, consultees will be asked to supply additional information about the impact of the proposals on the protected characteristics. Full EAAs will be presented to Cabinet in November 2022 when a decision is made about the final streams and priorities.

13. Staffing/workforce and accommodation implications

There are no staffing/workplace or accommodation implications.

14. Property and assets

There are no property implications.

15. Any other implications

N/A

16. Consultation

Engagement and consultation has taken place with the internal VCS Grants Working Group (IWG) which includes representatives from Adults' Services, Children's Services and Community Safety, as well as Ealing CCG.

The emerging proposals have also been discussed with the Chief Executive of Ealing & Hounslow CVS, the Chair of Ealing Community Network, and the LBE/CCG/ECN Strategic Coordination Group at their meeting on 3 March 2022.

17. Timetable for implementation

The current VCS grants end on 31 March 2023. The extension to the grants will allow these to end on 30 September 2023 by which time the consultation and application processes for the programme for the next four years will have concluded.

The new VCS grants programme will start on 1 October 2023 and run until 30 September 2027.

The draft timetable is set out below

15 June 2022	Report to Cabinet re 6-month extension to existing grants and setting our process for the new programme
4 July 2022	Consultation launched
30 September 2022	Closing date for receipt of consultation responses allowing at least 12 weeks for responses
October 2022	Departments draft specifications/criteria taking into account consultation responses
9 November 2022	Report to Cabinet for decision including consideration of consultation responses and final EAA's; grant priorities, criteria and grant budget levels, application process and delegation of decisions on grant awards to appropriate Executive Directors
December 2022	Possible call-in to Overview and Scrutiny Committee
18 January 2023	Possible date to take report back to Cabinet following call-in if necessary
23 January 2023	Earliest date to launch the application process
1 April 2023	Start of 6-month extension of existing grants
17 April 2023	Closing date for receipt of applications – allowing at least 12 weeks for applications to be submitted

May 2023	Officers assess applications and make recommendations for awards
June 2023	Executive Director decision on awards
By 1 July 2023	Decisions announced to applicants following possible call-in of decisions
30 September 2023	2019-23 funding ends for all grants/contracts
1 October 2023	New grants start 01/10/23 – having given three months' notice

18. Appendices

Appendix 1 – VCS Grants Programme for 2019-23

19. Background Information

5 June 2018 – Cabinet [Funding Programme for Voluntary and Community Sector Services 2019-23](#)

9 March 2022 – ICMD [Partnership Agreement between the council, CCG and voluntary sector](#)

Consultation (Mandatory)

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Internal				
Paul Martin	Interim CXO	12 May 22	18 May 22	Throughout
Kieran Read	Director of Strategy & Engagement	29 April 22	3 May 22	Throughout
Justin Morley	Head of Legal Services (Litigation)	5 May 22	18 May 22	Throughout
Ross Brown	Chief Finance Officer	5 May 22		
Cllr Jasbir Anand	Cabinet Member for Thriving Communities	10 May 22		
External				
Neha Unadkat	Borough Director - Ealing NHS North West London Clinical Commissioning Group	5 May 22		

Report History

Decision type:	Urgency item?
Key decision	No
Report no.:	Report author and contact for queries:
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