

**Derbyshire County Council
Voluntary and Community Sector
Funding Review
2022**

Consultation Report

Introduction

In February 2019, the Council agreed to undertake a comprehensive review of all grant funding it provides.

The review considered all of the grant funding provided by the Council and, as part of this process, identified 62 specific grants (which it has termed 'recurring grants') which are awarded on an annual basis to a range of VCS organisations. These grants have not been subject to review, despite funding being allocated over many years.

A report was presented to Cabinet on 6 December 2021 which agreed to:

- Consult on a proposal that the Council adopt the principle of no longer supporting the award of grant funding to any organisation in the future without a fixed or scheduled end date (save for in exceptional circumstances).
- Consult on the proposals for a process for reviewing existing recurring grants.
- Receive a further report on the outcome of the consultation and final VCS funding proposals at its meeting in May 2022.

The consultation took place between the 22 December 2021 and 23 March 2022. This report will summarise views and opinions submitted by respondents during this period.

The proposal for consultation

The Council is brought forward two related proposals on current recurring grant payments for consultation as follows:

1. The first proposal addressed the practice of awarding grant funding without a scheduled end date
2. The second proposal set out the specific criteria the Council is proposing to use to assess all 62 identified recurring grant payments.

Proposal One: No longer awarding grant funding without a scheduled end date

The Council has proposed to end the practice of awarding grant funding to organisations without a scheduled and clear end date (save for in exceptional circumstances). Any grant award would specify the time frame for which an organisation has secured funding and there be no expectation that this funding would continue beyond the specified date.

As many grant payments to voluntary and community sector organisation are one-off in nature, it is not anticipated that this will not affect the vast majority of grants, however this will have an implication for recurring grants.

Adopting this proposal would impact on organisations currently in receipt of a recurring grant award, as this proposal means the Council would no longer have 'recurring grants' as it does now and every organisation currently receiving a recurring grant payment would experience a change to their existing funding arrangements.

This proposal would not result in the blanket cessation of funding from the Council to organisations who currently receive a recurring grant for specified activities. Rather, it is proposed that the Council would commission the activities to which the grant relates, in certain circumstances, which is outlined in Proposal Two.

Proposal Two: Proposed Grant Assessment Criteria

The Council's second proposal set out the specific criteria to be used to assess all 62 identified current recurring grant payments and determine whether funding should be secured in the future or whether funding should cease.

Funding in the future would be secured through commissioning where activities to which the grant relates either provide a service necessary for the Council to discharge its statutory obligations; or where activities meet the Council's strategic aims and priorities, provides value for money and supports a fair and equitable distribution of resources.

Therefore, it was proposed for consultation, that the following assessment criteria was used:

Criteria One

The activities to which the grant relates provides a service which enables the Council to fulfil its statutory requirements.

And;

Criteria Two

The activities to which the grant relates:

- *Meets the Councils strategic aims and priorities and;*
- *Provides value for money and;*
- *Supports fair and equitable allocation of resources.*

It was proposed that if a grant activity is assessed as meeting either Criteria One or all three elements of Criteria Two, it could be put forward for commissioning.

A brief assessment of all grants was undertaken, to indicate whether it was anticipated a grant could be commissioned in the future, based on currently available information.

These assessments were indicative and may be subject to change following consultation. However, based on the indicative assessment process, 44 recurring grants out of the 62 grants awarded were indicatively assessed as being taken forward for commissioning, with the remaining 18 grants not being taken forward for commissioning, and because of this, funding to those organisations would cease.

Consultation Methodology

In line with the Derbyshire Compact the consultation period lasted 13 weeks, between 22 December 2021 and 23 March 2022.

During this period, consultations took place with current grant recipients, key stakeholders and partners. All current recurring grant recipients were also contacted and offered one-to-one meetings and a publicly available questionnaire was published online.

An easy read version of the consultation was also produced, following a request from a recurring grant recipient (made on behalf of their service users) and paper copies of the questionnaire were provided to respondents as requested.

The purpose of the consultation was to:

- Gain an understanding of support for the VCS Review approach proposals from relevant stakeholders
- Enable stakeholders to understand the potential impact of the principle of no longer supporting the award of grant funding to any organisation in the future without a fixed or scheduled end date and where appropriate offer a viable alternative
- Enable stakeholders to comment on the assessment criteria and where appropriate, offer a viable alternative
- Enable stakeholders to outline how proposals will impact on residents.

Consultation Feedback

A total of 274 consultation questionnaire responses were submitted online and of these:

77 respondents indicated that they were responding as a grant recipient. They included:

- Amber Valley CVS (3)
- South Derbyshire CVS
- LINKS CVS
- Erewash Voluntary Action (4)
- New Mills & District Volunteer Centre
- The Volunteer Centre Chesterfield & NE Derbyshire
- Derbyshire Law Centre (2)
- The Bureau
- Holmgate Darby and Joan Club
- Crick Luncheon Club
- St Pauls Happy Circle Dancing and Social Group
- The Stanley Common Eventide Community Hall
- Swanwick Luncheon Club
- Marlpool United Reformed Church Lunch Club
- Egginton Jubilee Club
- Ashover Lunch Club
- Borrowbrook Home Link
- Florence Nightingale Community Hall
- Crich Glebe Feld Trust Limited
- Swadlincote Gateway Club
- Glossopdale Furniture Project
- People Express (2)
- Our Vision Our Future
- Connex (5)
- Level Centre (7)
- High Peak Community Arts (5)
- Junction Arts
- Fleet Arts (7)
- Belper & District 50+ Forum
- Age UK Derby and Derbyshire (10)
- Matlock 50+ forum
- Careline
- Learning Through Arts
- Live and Local (3)
- Orchestras Live
- ACCA
- Asian Association of Chesterfield and North Derbyshire

- Sinfin and Stenson Asians Over 60 Social and Welfare Club

(Numbers in brackets relate to how many responses were received from each organisation).

57 respondents were VCS Organisations who do not currently receive a grant which is currently under review. They included:

- Infrastructure organisations
- Community groups/associations
- Support services
- Charitable Incorporated Organisations
- Community Interest Companies.

Seven respondents indicated they were responding as a County Council Partners and Stakeholders. They included:

- Arts Council England
- Derbyshire Home from Hospital Support
- Penderels Trust Ltd
- Chesterfield Borough Council
- Derbyshire Wildlife Trust
- Chesterfield Borough Council

(One respondent in this category did not state their organisation).

116 respondents indicated they were responding as a resident. They included:

- Service users
- Volunteers
- Those with caring responsibilities
- Older and vulnerable people
- Two easy read questionnaires from service users.

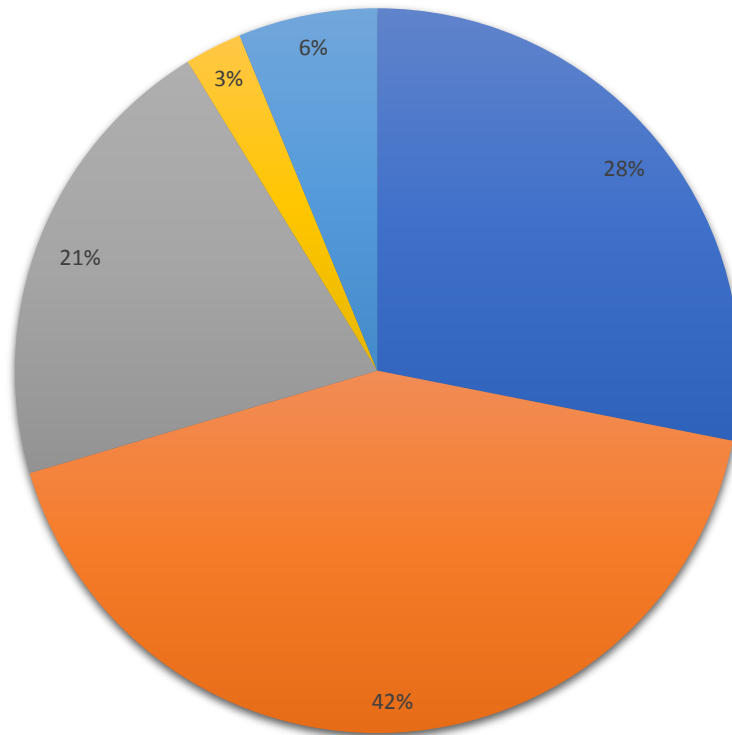
17 consultees did not identify themselves as belonging to any of the above categories.

Seven letters were also received from:

- Connex
- High Peak Alliance
- New Mills and District Volunteer Centre
- High Peak CVS
- Level Centre
- Long Eaton 50+ forum
- Derbyshire Participatory Arts collective response.

Headline Statistics

Total Respondents



■ Grant recipients ■ Residents ■ VCS organisation ■ County Council partner/stakeholder ■ Other/blank

- 42% strongly agreed or agreed with the proposal to no longer award grant funding without a scheduled end date (36% disagreed or strongly disagreed)
- 49% of respondents strongly agreed or agreed with the proposal to specify an end date for each existing recurring grant (33% disagreed or strongly disagreed)
- Agreement that criterion one should be used to assess recurring grant activity was divided, with 37% of respondents strongly agreeing or agreeing and 36% disagreeing or strongly disagreeing
- 66% of respondents strongly agreed or agreed that criterion two should be used to assess recurring grant activity (14% disagreed or strongly disagreed)
- 61% of respondents disagreed or strongly disagreed with the proposal that if the Council were to decide not to commission an activity to which an existing recurring grant relates, the Council would no longer provide grant funding for that activity (18% strongly agreed or agreed)

General Summary

- Responses to the consultation were wide-ranging and varied
- Many respondents were affiliated with an organisation currently in receipt of funding, whether that be as a volunteer worker, service user or a member of the organisation
- Respondents were concerned that a review of funding arrangements would equate to a reduced funding, however there was general agreement that a review of VCS funding was necessary, and that funding should have an end date
- There was concern that automatic application of end dates would lead to uncertainty about the future of organisations and services, particularly if funding was withdrawn at short notice
- Those not currently in receipt of funding suggested that the proposal would give different organisations the opportunity to secure funding and could lead to better services
- Many respondents saw benefits in a commissioned approach, stating that it would give more stability, clarity and result in a fairer process, offer best value, allow greater transparency and ensure improved quality standards
- There were several calls for more robust monitoring and review processes to support any future process, with ongoing scheduled reviews
- Concerns were raised about how smaller community organisations would be given a fair opportunity any competitive process and how they could be supported to manage additional administrative processes and potential costs of commissioning with limited resources and expertise
- Assessment criteria one was understood as a good way of ensuring that the Council's secures funding commitments for certain activity, however many were concerned that it was too narrow and that activity which did not meet it would no longer be eligible for funding
- Responses to assessment criteria two were positive with two thirds of respondents supporting its application. Comments indicated that it was reasonable that funded activity meets this criterion and better reflected the breadth of activity carried out by the VCS
- Most respondents disagreed with the proposal to no longer provide grant funding for activity where it was decided not to commission
- Organisations were concerned that they would lose funding which they had become to rely upon, and that this would lead to the closure of organisations and the loss of community activity
- Several respondents stressed the importance of consistent grant funding to community organisations
- Core funding was identified as vital for many, and it was suggested that it should be considered separately to funding for specific projects/activity.

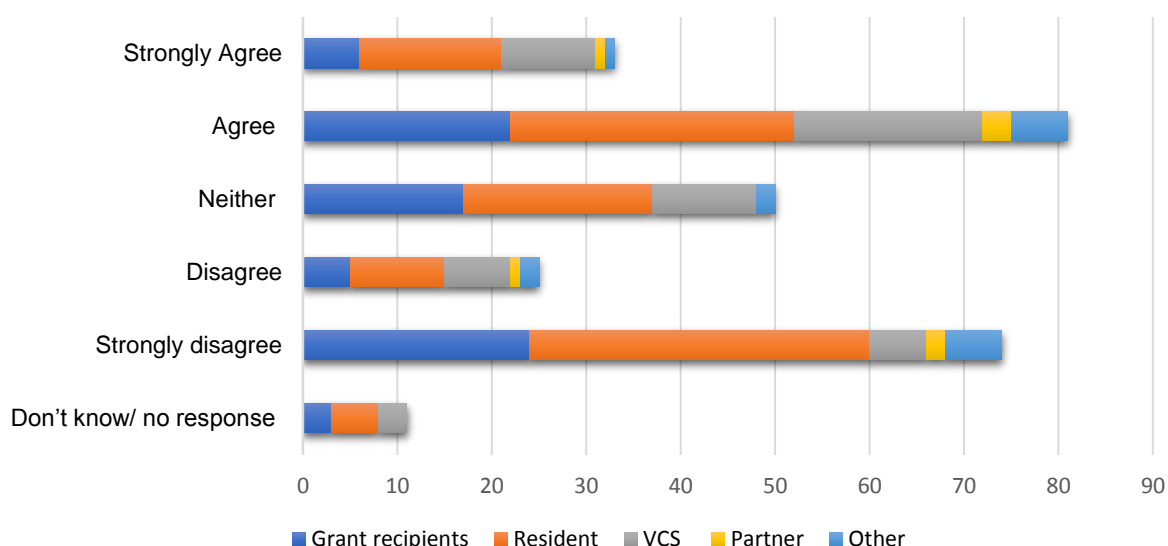
Detailed Summary

Proposal One - Consultation Feedback

Question 1

Do you agree or disagree with the Council's proposal to no longer award grant funding without a scheduled end date?

- 114 respondents (42%) strongly agreed or agreed with the Council's proposal to no longer award grant funding without a scheduled end date
- 99 respondents (36%) disagreed or strongly disagreed
- Of the groups of respondents, VCS organisations were most in agreement with 53% of respondents strongly agreeing or agreeing
- Grant recipients were less likely to agree with 38% of respondents disagreeing or strongly disagreeing



Summary of key comments:

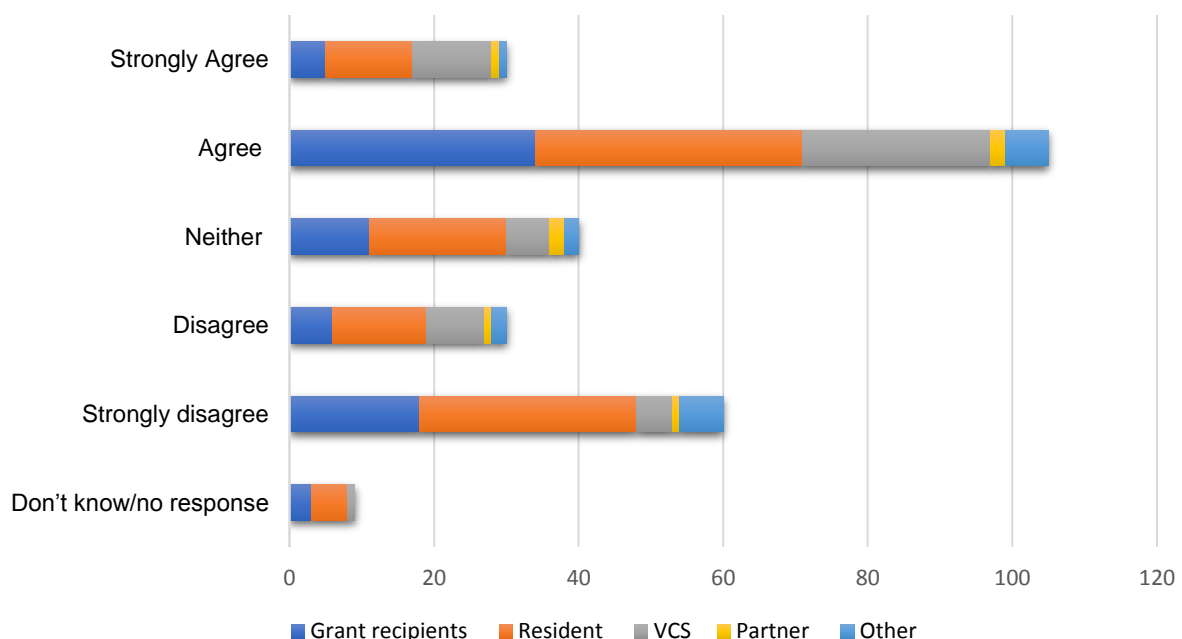
- Those who agreed that funding should have an end date said this provides focus and clarity both for the Council and funding recipients and ensures accountability and equitable use of funding
- Several grant recipients stated that their funding already had an annual end date
- Many respondents indicated that stability of funding and longer funding periods would improve grant recipients' ability to plan, retain skilled staff, secure other funding and develop partnerships and services effectively – whether this was achieved through commissioning or grants
- Some respondents suggested that 'review dates' would be a better-term than 'end dates' as those able to demonstrate impact and need should be able to continue to receive funding at the end of the funding period if still aligned to Council priorities

- Ongoing scheduled reviews and performance management were seen as important for future funding arrangements as well as more needs analysis to ensure activity continues to be relevant
- VCS organisations not currently in receipt of this funding suggested that the proposal would give different organisations the opportunity to secure funding and could lead to better services
- There was some concern that a single approach to the application of end dates would not be appropriate for all organisations/services and that more flexibility would be required to ensure valued activity is supported going forward.

Question 2

Do you agree or disagree with the Council's proposal to specify an end date for each existing recurring grant?

- 135 respondents (48%) strongly agreed or agreed with the Council's proposal to specify an end date for each existing recurring grant
- 90 respondents (33%) disagreed or strongly disagreed
- VCS organisations were most likely to agree with 65% of respondents strongly agreeing or agreeing
- 51% of grant recipients strongly agreed or agreed



Summary of key comments:

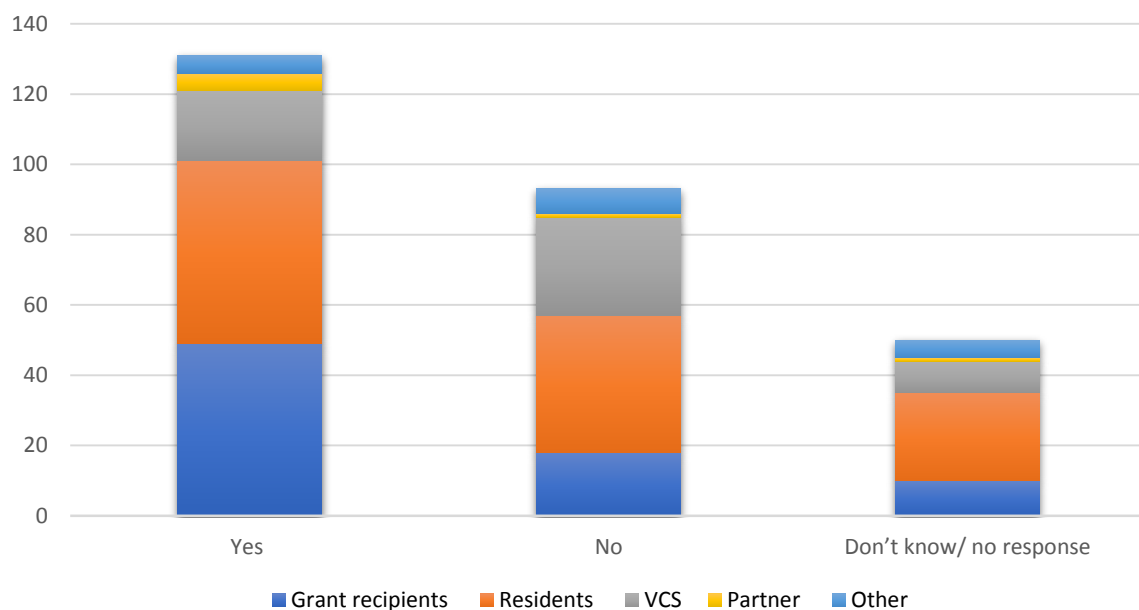
- Many respondents recognised the need for specified end dates stating that it would ensure more accountability and clarity with a clear funding structure and ensure needs are being met

- Concern was expressed by some that funding with an end date could put organisations and services at risk of closure, particularly if funding was withdrawn at short notice
- ‘Reasonable’ transition periods involving a staged reduction in funding were suggested to allow time for organisations to adapt to the change and allow opportunity to secure alternative funding
- Several grant recipients sought reassurance that an end date would not mean that funded activity could not receive further funding if it was demonstrated the service was needed
- Core funding was identified as vital for many organisations and it was suggested that it should be considered separately to funding for specific projects/activity.

Question 3

Do you have any alternative suggestions to this proposal?

- 131 (48%) respondents indicated that they had alternative suggestions to the proposal



Summary of key comments:

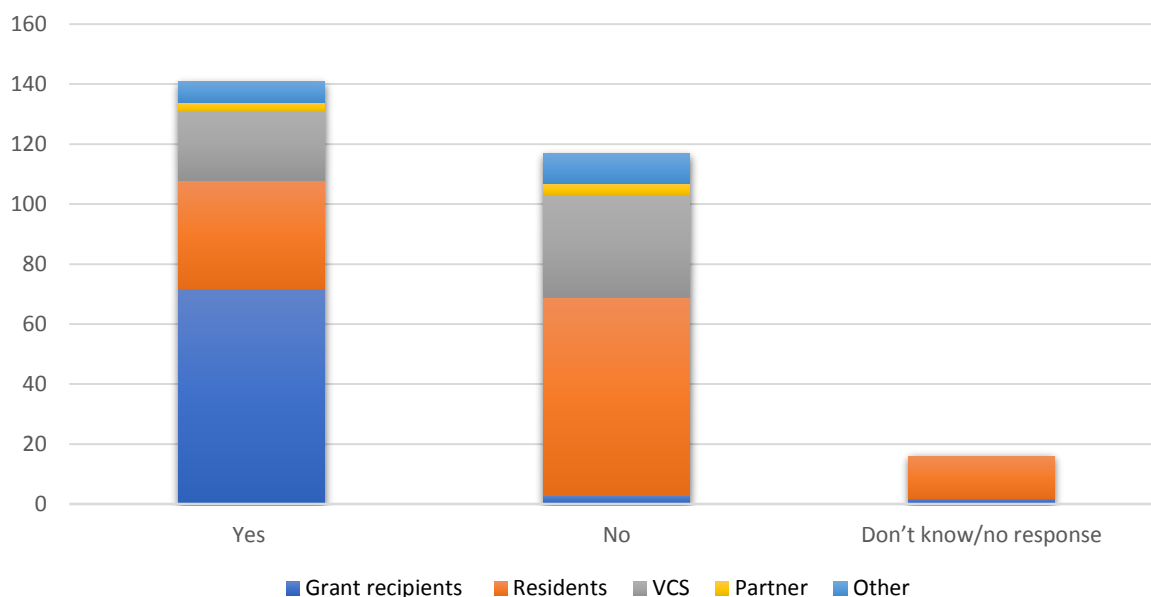
- Several respondents currently in receipt of grant funding indicated that they would support any funding mechanism that provided more long-term funding security and greater continuity
- There were several calls for more robust monitoring and review processes to support any future process
- Those with alternative suggestions encouraged coproduction and engagement of service users and organisations
- Concern was expressed that any requirement to reapply for funding could create an additional burden for small organisations

- The importance of consistent grant funding to community organisations was stressed by several respondents and a mixed approach to future funding was suggested.

Question 4

Is your organisation likely to be affected by this proposal?

- 140 of all respondents (52%) stated that they would be affected by the proposal
- 72 grant recipients (94%) stated that they would be affected by the proposal



Summary of key comments:

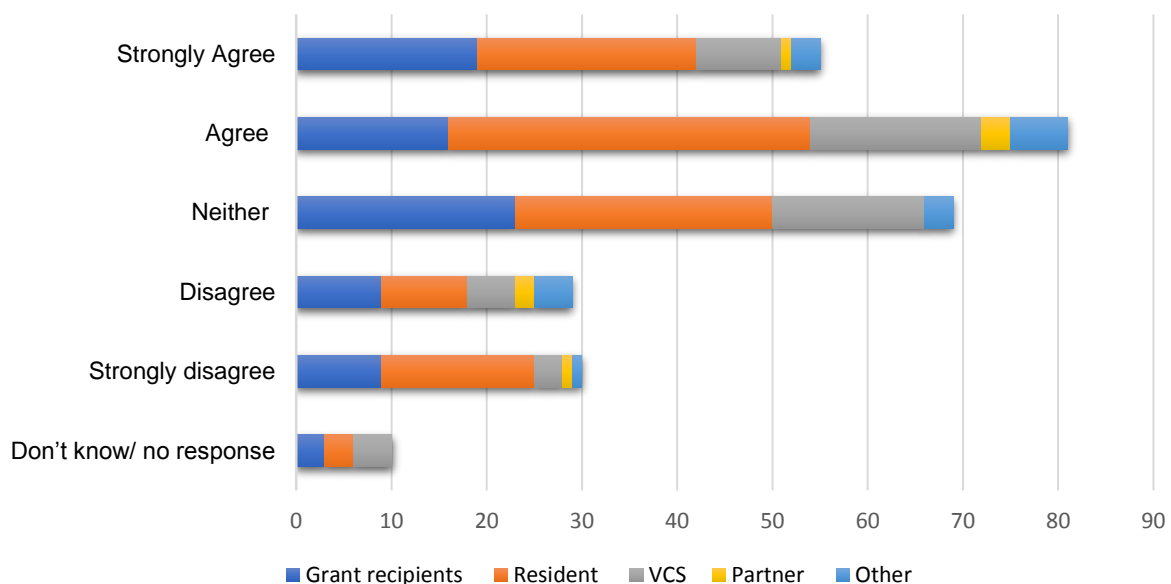
- Significant concern was expressed about the potential loss of funding and closure of organisations and services, reduction in local community activity, loss of skilled volunteers/workers and reduced capacity to work alongside statutory partners
- Those who would be affected indicated that any change implemented while they were still dealing with the consequences of the pandemic would be difficult to manage
- It was suggested that even where it was indicated activity may be commissioned, uncertainty about future funding from this approach would affect an organisation's ability to plan effectively and could affect the future growth of organisations
- Some grant recipients stated that current funding is not enough to cover the cost of the services they deliver, and that increased funding is necessary to maintain their current provision
- Respondents across all groups expressed concern that the potential loss of services and resulting impact on communities would be likely to lead to an increase in demand for other statutory services

- VCS organisations not currently in receipt of funding suggested the proposal would have a positive impact on them as they would have an opportunity to secure funding not previously available.

Question 5

Do you agree or disagree that the Council should consider whether to commission the activities to which existing recurring grants relate?

- 136 respondents (50%) indicated that they strongly agreed or agreed that the Council should consider whether to commission the activities to which existing recurring grants relate
- 59 respondents (22%) disagreed or strongly disagreed
- Residents were most likely to agree with 53% strongly agreeing or agreeing
- 43% of grant recipients strongly agreed or agreed



Summary of key comments:

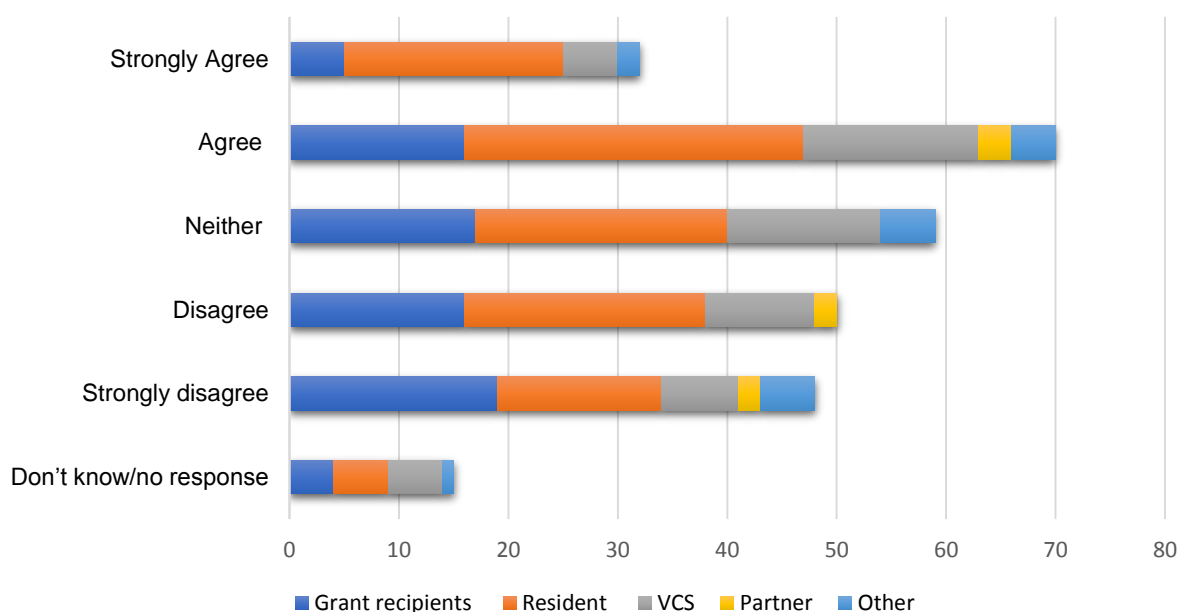
- Many respondents saw benefits in a commissioned approach, stating that it would give more stability, clarity and result in a fairer process, offer best value, allow greater transparency and ensure improved quality standards
- Some respondents questioned why the Council could not leave funding as it is as the current arrangements have worked well
- Concerns were raised about how community organisations would be given a fair opportunity in a competitive application process and how they could be supported to manage the additional administrative burden, bureaucracy and potential costs of commissioning with limited resources and expertise
- It was suggested that robust needs analyses would be necessary to ensure that the community's requirements are not overlooked and can be translated through the commissioning process
- The relationship between the Council and VCS should be a partnership rather than a commissioner and provider relationship.

Proposal Two – Consultation Feedback

Question 6

Do you agree or disagree that criterion one should be used to assess whether the activity to which a recurring grant relates should be commissioned?

- Agreement for the use of criteria one was divided with similar numbers of respondents agreeing and disagreeing
- 102 respondents (59%) strongly agreed or agreed while 98 respondents (56%) disagreed or strongly disagreed and 74 respondents (27%) neither agreed nor disagreed or provided no response
- More residents (35%) strongly agreed or agreed than disagreed or strongly disagreed (32%)
- 46% of grant recipients disagreed or strongly disagreed, 27% strongly agreed or agreed and 27% indicated neither or did not respond



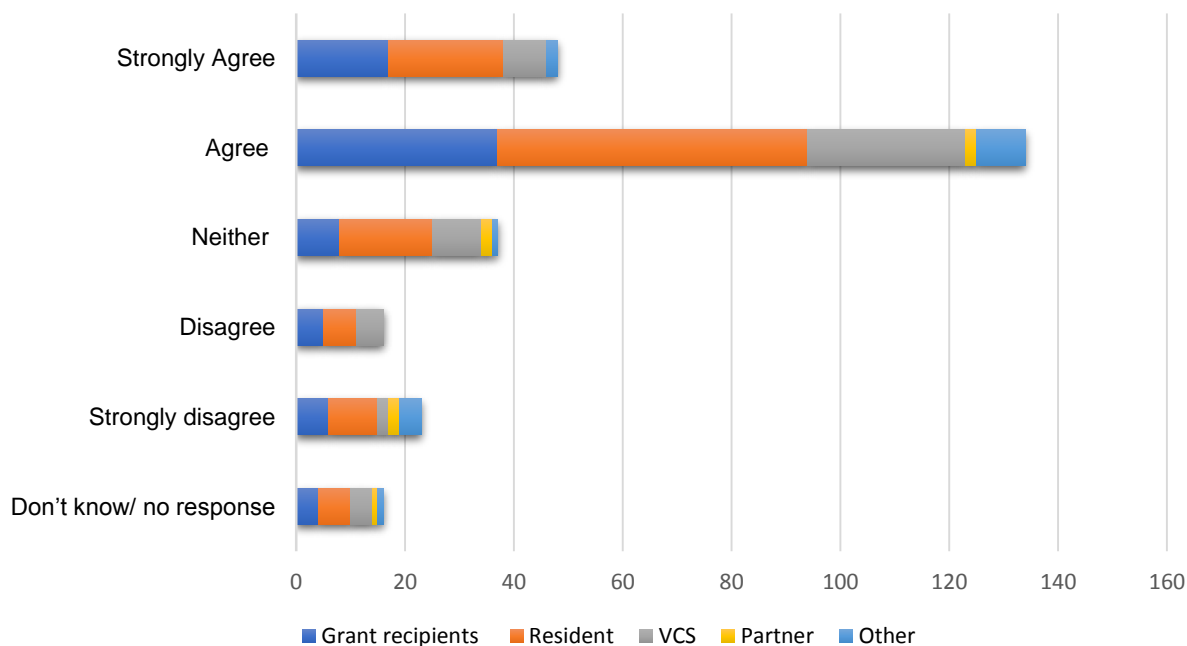
Summary of key comments:

- Many respondents saw commissioning as the best way to fund activity that meets statutory duties in a clear, transparent and fair way, although could not comment fully without knowing what the statutory requirements were
- Several respondents suggested that criteria one would be too limiting or restrictive and that the Council's obligations go beyond legal duties, to include responsibility for quality of life and wellbeing and suggested that more flexibility when applying the criterion would therefore be needed
- Respondents from across the groups stated that community need should be at the forefront of funding decisions
- There was also some concern that if the criterion was too restrictive it could stifle innovation and creativity and restrict the sectors' ability to respond to emerging issues and develop new activity.

Question 7

Do you agree or disagree that criterion two should be used to assess whether the activity to which a current recurring grant relates should be commissioned?

- Almost two thirds of respondents believed this criteria should be used
- 182 respondents (66%) strongly agreed or agreed while just 39 respondents (14%) disagreed or strongly disagreed
- 70% of grant recipients and 67% of residents strongly agreed or agreed



Summary of key comments:

- Those who agree stated that criteria two would allow organisations to demonstrate their work and ensure fair distribution of funds
- There were also indications that while they agreed with the criterion they were concerned with how it would be interpreted and assessed against service activity, and asked that this required more detail
- A small number of respondents questioned how current grants had been assessed already to reach the indicative pathways
- There was some concern that the proposed thematic groups outlined in the report did not recognise all groups and activities, for example services for young people
- The ability of small local community-based groups to compete with large regional charities during a competitive commissioning process was also raised as a concern by some grant recipients and other respondents.

Question 8

If you have any other suggestions for assessment criteria, or other factors which should be part of determining whether proposed activities should be commissioned, please provide details below.

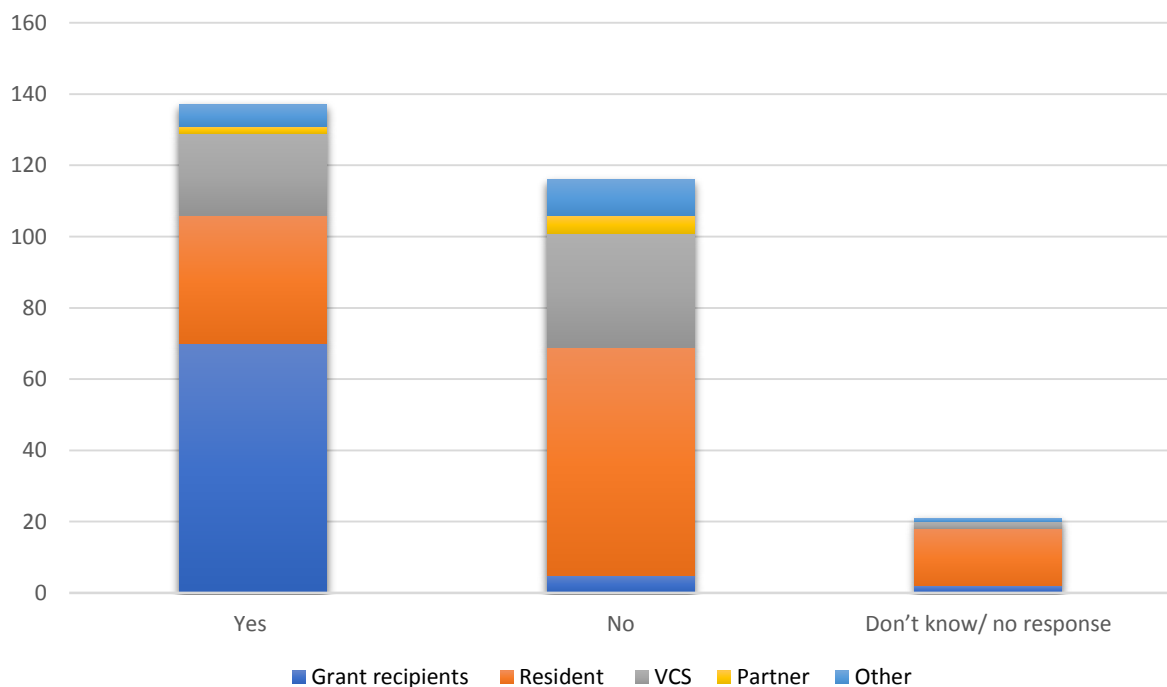
Suggestions for assessment criteria included:

- Quality of service in addition to value for money
- Co-operation and partnerships
- Gaps in statutory provision
- Performance and review information to demonstrate reliable delivery over time
- Added value through match funding / inward investment for Derbyshire
- Create closer link to communities by building service user/stakeholder feedback into criteria
- Activity mapping to identify gaps and duplication
- Impact of services and impact across strategies
- Community demand and emerging needs
- Environmental impact
- Geographical spread
- Contribution to other agendas (such as health and social care).

Question 9

Would your organisation be directly affected by the proposed criteria?

- 137 (50%) of all respondents stated they would be directly affected by the proposed criteria
- This increased to 91% (70 respondents) of grant recipients



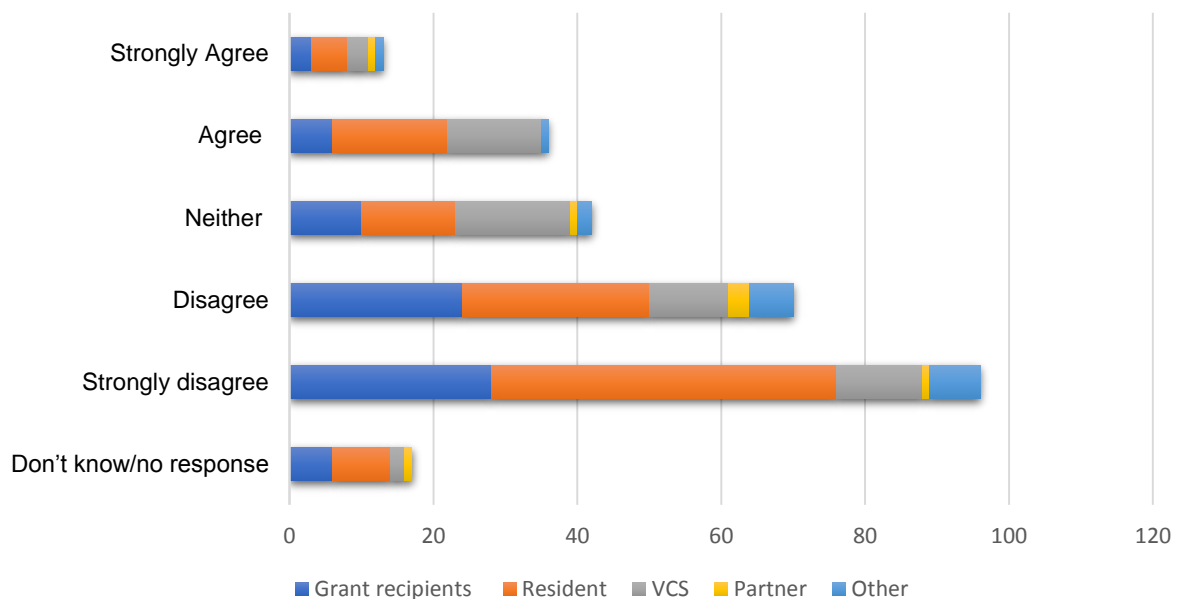
Summary of key comments:

- Whilst some organisations stated that they were already 'self-sufficient' others were concerned that use of the criteria could lead to the loss of services and facilities
- Other concerns included the administrative burden of funding applications, the potential loss of skilled workers, reduction in capacity and ability to work alongside partners and the resulting impacts on organisations and the communities they serve
- Some VCS organisations not currently in receipt of funding stated that the criteria would make funding more accessible

Question 10

Do you agree or disagree with the proposal that, if the Council were to decide not to commission an activity to which an existing recurring grant relates, the Council would no longer provide grant funding for that activity?

- 61% of all respondents did not agree with this proposal with 166 respondents disagreeing or strongly disagreeing
- 68% of grant recipients (52 respondents) disagreed or strongly disagreed



Summary of key comments:

- Respondents asked that consideration be given to allowing adequate transition periods when any changes are implemented and support for organisations to secure alternative funding or develop charging structures for services
- There were comments from across groups of respondents that a more flexible approach was needed to allow for varied activity, support requirements and emerging needs and there were some suggestions that

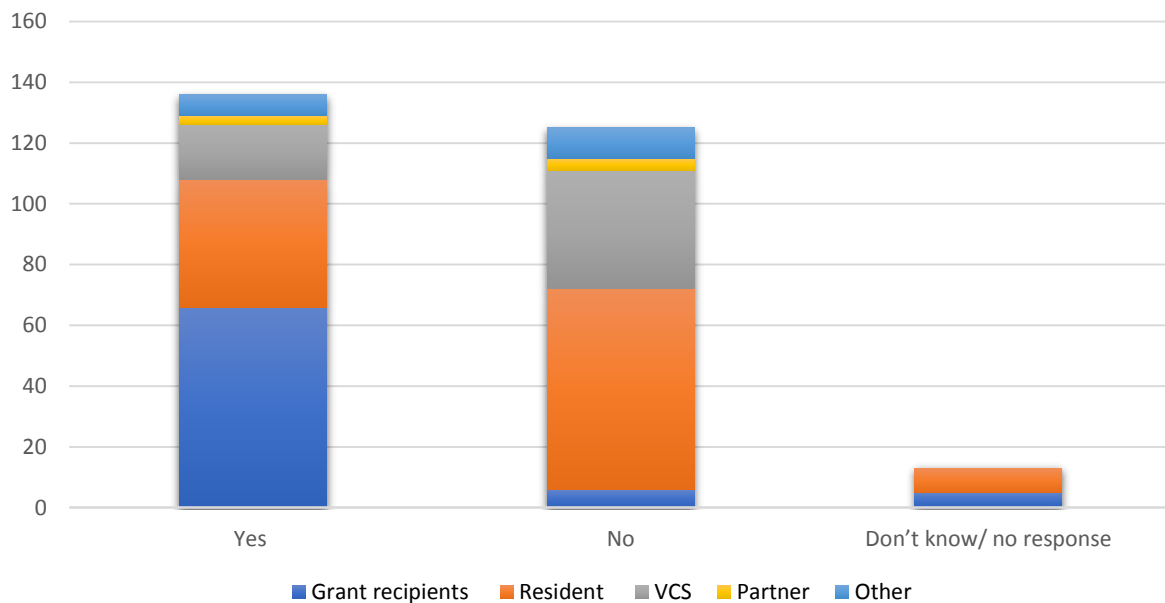
activities should be considered on a case-by-case basis rather than a 'blanket' approach

- Respondents suggested that the impact of no longer providing grant funding should be fully considered and understood before withdrawing funding and that whilst an activity might not meet the criteria, it may still be needed and there should be some way for funding to continue where necessary
- Some respondents expressed concern that the application of the criteria and potential cessation of grant funding could result in gaps in service provision which could impact vulnerable residents

Question 11

Would your organisation be directly affected by the proposal no longer to provide grant funding in respect of activities that are not commissioned?

- 136 of all respondents (50%) indicated that they would be directly affected by this proposal
- This increased to 85% (67) amongst grant recipient respondents



Key comments included:

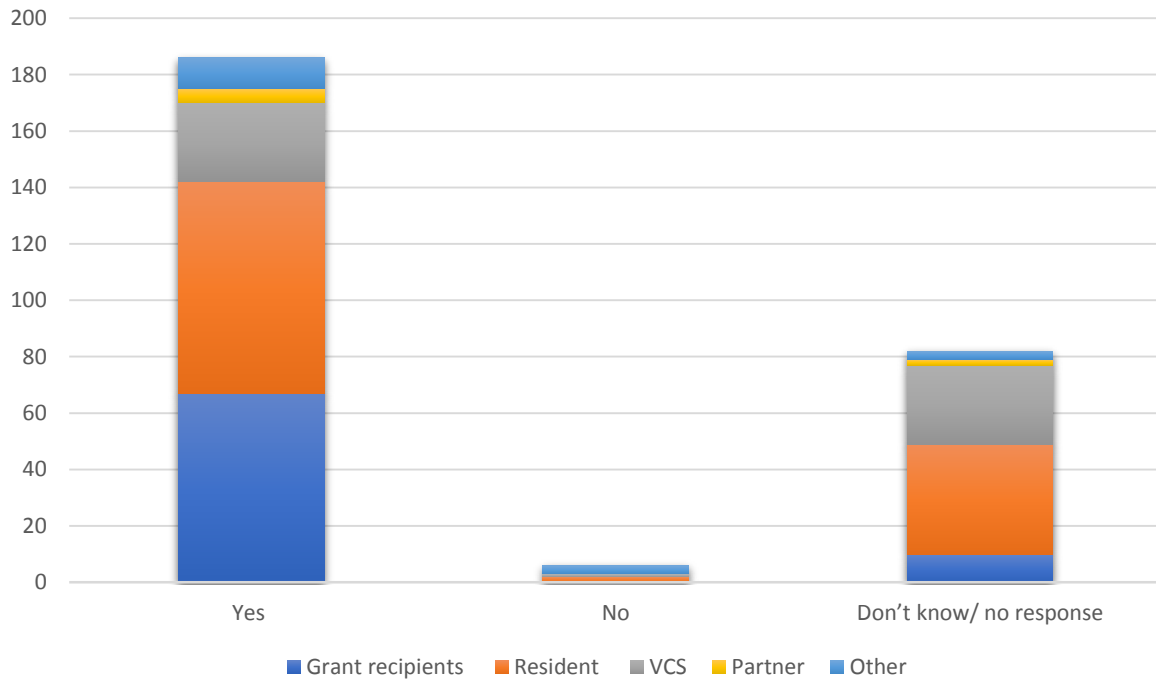
- Grant recipients indicated that an impact could be the closure of VCS organisations, services, the introduction/increase of charges for service users and an increase in demand for other statutory services
- Some arts organisations stated that it would threaten the additional investment they attract if they lost regular funding from the Council
- A number of VCS organisations commented that it would have a positive impact on them as it would enable them to apply for funding.

Impact of proposals on specific communities or groups

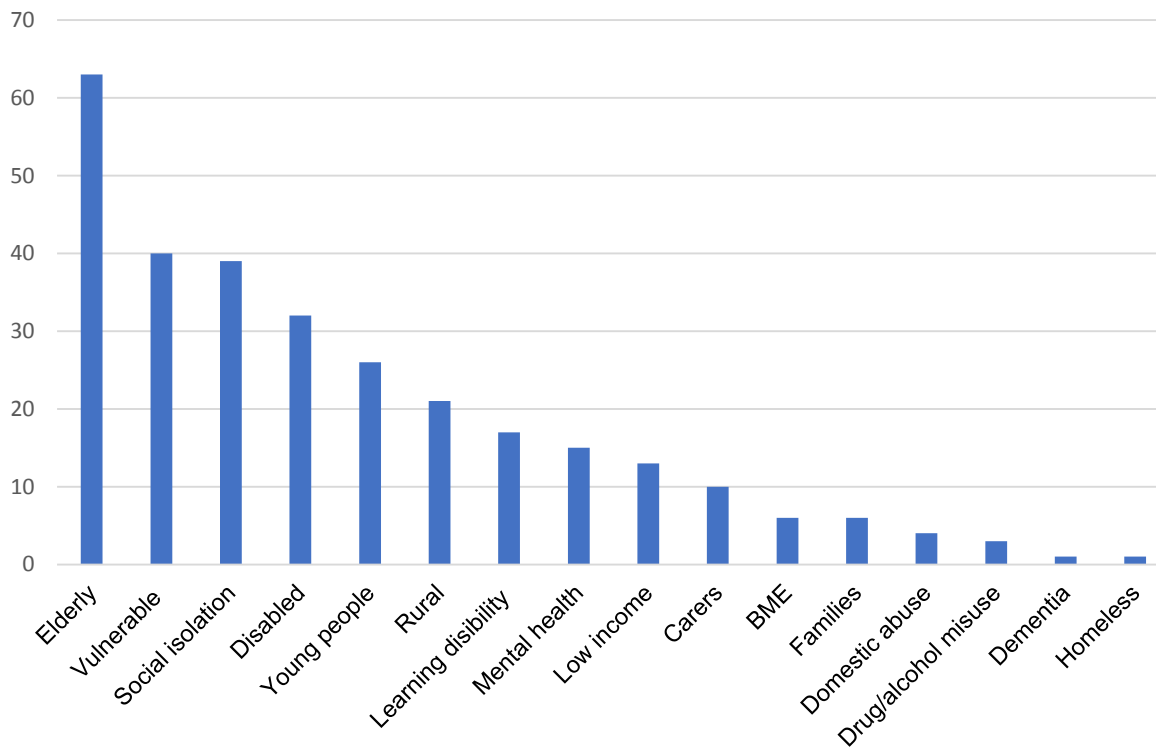
Question 12

Are there any specific communities or groups of people that would be directly affected by these proposals

• 186 respondents (68%) answered 'yes'



The below chart represents the specific communities or groups of people that were most mentioned in respondents comments.



Key comments included:

- Several respondents indicated that instead of a specific group being affected, whole communities or any service users would be affected
- Volunteers were also identified as a group that could be affected by reduced volunteering opportunities
- Other categories of people or groups that might be affected included those experiencing physical or emotional barriers to participation, any underrepresented minority groups, those experiencing anxiety related conditions, small communities and caring charities.

Question 13

Please use the box below to provide any other comments on our proposals or anything else you would like to tell us.

Summary of key comments included:

Grant recipients

- There was general agreement that a review of VCS funding was necessary
- There were multiple requests for the continuation of current funding with many respondents using this question to explain what current recurring funding has enabled them to achieve and their plans for the future
- Several respondents urged the Council to ensure it considers and understands the impact of current services, how well they are used and past performance before decisions are made
- Some groups stated that they were still adapting and responding to pandemic related issues and resulting 'surges in demand' and questioned the timing of the changes, suggesting there are better ways for the Council and VCS to work collaboratively
- Any changes to current arrangements should be staged over a reasonable transition period to support organisations to adapt and limit any impact
- Some groups indicated that their activity was unique and that if it were to stop there would be gaps in service provision that could create more issues in the future.

Grant recipients (Arts)

- Some Arts organisations believed the introduction of charged services would not be a viable source of income generation for their beneficiaries
- There were calls for meetings with groups and service users before any changes were implemented
- Some organisations indicated that they did not feel the Council fully understood the work they carry out

Residents

- Whilst broad agreement was reiterated for the need to review grant funding, residents' concerns included:

- the application of criteria that might limit activity;
- organisations losing support while communities are still recovering from the pandemic;
- a perceived lack of engagement with organisations, volunteers and service users; and
- some confusion over the approach and thematic reviews.
- Some respondents wanted the added value of money spent in the VCS to be considered as part of the review
- Some respondents expressed uncertainty about the purpose of the review and indicated they were unclear about the Council's intentions
- Concern was expressed that the proposals could have negative consequences for some communities and that geographical issues should also be considered.

Wider VCS

- Many respondents reiterated their support for funding with a specified end date and regular reviews and welcomed greater transparency in funding decisions
- Additional suggestions included introducing a policy of only supporting match funding applications to help spread resources, cutting 'red tape' to support organisations which enhance quality of life and allowing flexibility and discretion rather than a blanket approach to how funding is delivered
- Some respondents highlighted that they are already self-funded without support from the Council but that the proposals would offer opportunity to secure funding in the future.

Partners

- Arts Council England stated that although it is looking to invest more in Derbyshire in the future, funding will not be used to cover any funding gaps if Council funding were to cease
- There was concern that two of the grants on pathway two were recycling/repurposing projects which help the Council meet its strategic aims by reducing carbon emissions.

Other

- General comments about the consultation indicated that some respondents found the language difficult to understand and that simpler questions in future consultations would help increase understanding and engage respondents
- There was some concern of the Councils intentions in carrying out the review with some respondents suggesting the proposals represented a 'cost-cutting exercise'
- A common suggestion was the need for the Council to do more to develop its understanding of how the proposals might impact service users, the wider community, organisations and other services.

Arts organisation responses

As previously detailed, a significant number of consultation responses have been submitted which directly relate to Arts activity and funding arrangements.

The following comments relate specifically to current Arts Service grants:

- Arts organisations and service users were not consulted when the Arts budget saving was made – this consultation has presented the first opportunity to comment
- The budget for Arts grants has been removed, but organisations believe activity could meet criteria for commissioning and there is significant concern that valued services could stop
- Core funding is part of the Arts organisations financial model and is required to secure additional investments – if reliable core funding ceased, organisations would be likely to close or significantly reduce activity
- Arts organisations stated that they use their grant as leverage to apply for other funding and that this additional investment into the county would otherwise not be possible
- Arts organisations indicated that they often work beyond their subject area, working extensively with groups including vulnerable adults, disadvantaged people, young people and the elderly and those experiencing barriers to participation
- The Level Centre stated that the organisation was co-founded by the Council 14 years ago to address gaps in service provision and the centre has been funded by DCC since that time
- The Level Centre is also one of only two bespoke arts centres for learning disabled people in the East Midlands and it has been asked to play a key role in the Derby City of Culture bid

Moving Forward

This Report containing analysis of the responses collected through this consultation process has shared with relevant stakeholders and used to inform the thinking of the project team. After consideration, this evidence will be used to further develop the proposals as necessary.

Any comments relevant to thematic areas or specific grants will be considered by the officers undertaking the next stages of the review.

The feedback from this Report has also been used to inform the Equality Impact Assessment, which will also be updated to include and reflect relevant feedback and analysis.

A report outlining the Council's response to the consultation and the next steps of the review will be presented to Cabinet.