



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

Monday, 29 April 2024

Report of the Executive Director - Corporate Services and Transformation

Proposal to consult on the cessation of Corporate Services and Transformation discretionary grant funding
(Cabinet Member for Health and Communities)

1. Divisions Affected

1.1 County-wide

2. Key Decision

2.1 This is a key decision because, if the proposed changes are made, they are likely to be significant in terms of their effect on communities living or working in an area comprising two or more electoral areas in the County.

3. Purpose

3.1 To seek Cabinet approval to:

- a) Approve consultation on the cessation of discretionary grant funding.
- b) Note that a further report will be submitted to Cabinet following conclusion of the consultation, including a full Equality Impact Assessment

4. Information and Analysis

4.1 Twenty VCS grants have been funded from within the CST department for a significant period of time, as part of the Strategy and Policy team within the People and Organisational Change (POC) division. The funding supports the core business of a number of VCS organisations and their activities. These grants are grouped into three main areas of support/activity:

- **Core VCS support infrastructure - £206,892**
11 VCS infrastructure support grant arrangements are in place across the county. Organisations receive funding to provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.
- **BME community support and consultation - £26,540**
Five annual grant arrangements are currently in place with BME VCS organisations totalling £13,316. Funding supports organisations to strengthen the capacity of the BME sector. An annual grant, totalling £13,224, is also paid to Links CVS to facilitate a sustainable method of consultation and engagement with BME communities in Derbyshire through the BME Forum.
- **Specialist advice - £100,524**
The Council currently awards three annual grants for specialist legal and employment advice services to Derbyshire Law Centre and Citizens Advice Mid Mercia, totalling £100,524.

4.2 A detailed breakdown of 2024-25 grant allocations can be found in Appendix 2.

4.3 Following a county wide audit of Voluntary and Community Sector 'VCS' grants in 2019, the Council undertook a review of all recurring grants to the VCS. This process included two public consultations. The first took place in 2020 and set out draft proposals for the future funding model of VCS infrastructure support. In July 2020, Cabinet approved key components of the proposals and the agreed approach was underpinned by:

- District level funding allocations, with providers working together where there are multiple providers within a district.
- New Service Level Agreements on an organisation/district basis, outlining the funding providers receive and how it is spent with a commitment from providers to deliver core VCS support through a shared outcomes framework.

- A comprehensive list of co-designed Key Performance Indicators with providers, which seek to understand and measure impact and what is being achieved.
- 4.4 The VCS Infrastructure provision consultation resulted in the adoption of a shared outcomes framework and an uplift in funding in some areas to ensure more equitable provision across the county. A number of objectives were also approved by Cabinet for further development and officers have worked in partnership with the Integrated Care Board who also fund VCS infrastructure provision, to improve and align the combined infrastructure offer.
- 4.5 The second consultation exercise took place in 2022, detailing two proposals (1) to introduce a specified end date to all grant funding save for exceptional circumstances (2) to introduce a commissioning pathway which would replace the recurring grants and to introduce an assessment criteria to determine whether the organisation should continue on that commissioning pathway or whether the grant would cease altogether.
- 4.6 In July 2022 Cabinet approved the proposals. The introduction of an end date has ensured all organisations in receipt of Council grant funding understand that funding is finite in nature and therefore they should not have expectations that further grant funding would be available or continue, following the current award allocation. This means that the Council could commission or decommission activities in the future where appropriate.
- 4.7 The Council also assessed all the grants it provides to the VCS and identified activity the Council wished to retain through a commissioned process moving forward. Officers have worked with funded organisations and key stakeholders to develop commissioning plans.
- 4.8 All of the grants outlined in this report have been allocated funding for the 2024-25 financial year and current arrangements are due to end on 31 March 2025.

Financial Position

- 4.9 Since the VCS Funding Review was concluded and the new approaches were agreed for implementation, the Council has faced significant financial challenges.
- 4.10 The Council has a legal obligation to deliver a balanced budget and a projected overspend for 2024-25 has led the Council to introduce a

series of financial controls including tight controls over non-essential spend. This position has significantly changed the context within which the Council allocates its budget and funds the provision of services.

- 4.11 It is anticipated that there will be further budget challenges in future years and all areas of the Council are required to deliver in year financial savings and propose further areas for budget savings in future years. The current financial position and requirement to make additional efficiencies and budget savings means that activity which directly contributes to the delivery of the Council's statutory duties, must now be prioritised.
- 4.12 The Council does not have a specific statutory duty to offer grant funding to the organisations outlined in this report, therefore this spend has been identified as discretionary.
- 4.13 It is therefore proposed that the CST VCS discretionary grant funding is ceased.
- 4.14 Cabinet should note that this position also aligns to Adult Social Care's review of discretionary funding and their intention to publicly consult on the current allocation of grants to the voluntary sector which support community based preventative services, including VCS infrastructure grants. In the interests of transparency, seven organisations will be impacted by both this grant proposal and the adult Care infrastructure grant proposal.
- 4.15 Best Value Guidance also states that an Authority should actively engage the affected organisation and service users as early as possible before making a decision on:
- The future of the service.
 - Any resulting effect on assets used to provide this service.
 - The wider impact on the local community.
- 4.16 It is therefore recommended that Cabinet agree to undertake a formal public consultation on the cessation of discretionary grant funding as outlined in this report, to ensure that the implications are fully considered and understood.
- 4.17 Proposed timeline for consultation.

Date	Action
May 2024	<ul style="list-style-type: none"> • Work with grant recipients to identify service users who need the questionnaire in easy-read or alternative format. • Public consultation meetings planned in all Districts including affected organisations and people who draw on support from the services. • Equality Impact Assessment commences.
May - August 2024	<ul style="list-style-type: none"> • Consultation Opens for 12 weeks. • Online Consultation Survey published on the DCC website including easy read format. • Requests for alternative formats will be received through contact details published on the website. • Funded organisations will be engaged directly and invited to one-to-one meetings. • Public consultation meetings take place (in-person and virtual). • Outputs from the consultation collated, reviewed and considered. • Equality Impact Assessment completed.
September - October 2024	<ul style="list-style-type: none"> • Analysis and report to be considered by Scrutiny Committee (30 October).
November / December 2024	<ul style="list-style-type: none"> • Report to Cabinet sharing the findings of the consultation (14 Nov or 5 Dec).
January – March 2025	<ul style="list-style-type: none"> • Implementation of Cabinet decisions, if required.

Moving forward

4.18 If following consultation, Cabinet approves the cessation of discretionary grant funding, it is anticipated that the funding areas outlined in this report would not receive grant funding beyond 31 March 2025. This end date is clearly specified in current grant agreements and it is important that organisations plan for this in their own budget setting processes for the 2025-26 financial year.

4.19 The Council will continue to make grant payments as specified for the 2024-25 financial year whilst the decision-making process is undertaken.

5. Consultation

- 5.1 Consultation is required to enable officers to seek the views of various stakeholders, organisations, the people drawing on the services and the public to understand the full implications of the proposal to end discretionary grant funding as set out within this report. The proposal is to carry out a 12-week period of consultation.
- 5.2 If Cabinet were to agree to the proposed consultation exercise and subsequently agreed to make any changes to the grant funding, the Council would need to give funded organisations and the public/service users impacted, three months' notice of any resulting funding changes as outlined in the Derbyshire Compact and Local Authority Best Value Statutory Guidance.
- 5.3 Colleagues from Adult Social Care are proposing to consult on their own infrastructure grants. It is intended that where possible Adult Social Care and CST will adopt a coordinated and joined up approach to consultation and engagement to ensure that duplication is minimised and that where organisations receive funding from both departments, they are not required to respond to multiple consultations. It will also enable the potential impact of ceasing both the CST and ASCH infrastructure grants to be properly understood and considered before any subsequent decisions are made. A separate Cabinet Report setting out the position in relation to those grants and the associated consultation is also due to be considered at the Cabinet meeting on 29 April 2024.
- 5.4 As outlined in this report, in line with the current Derbyshire Compact, it is recommended that there is a 12-week period of consultation to receive feedback on the impact of proposals as outlined in this report. The consultation process will start in June 2024 and will close in August 2024
- 5.5 The purpose of the consultation is to:
- Gain an understanding of the impact of ceasing discretionary grant funding from relevant stakeholders.
 - Enable stakeholders to outline how the policy will impact residents.
 - Enable stakeholders to offer viable alternatives within the parameters of the current position for how impact can be mitigated.
- 5.6 It will include the following elements:

- Identification of people, groups, organisations and other stakeholders who should be informed of and included in the proposed consultation.
- Consultation meetings.
- Online information and survey, including easy read format.
- Information and survey available in hard copy or alternative language / format, on request.
- Equality Impact Assessment.
- Report to Cabinet containing the consultation findings and recommendations.

5.7 The table below outlines who the Council will be consulting with and why:

Who	Why
Current grant recipients	<ul style="list-style-type: none"> • The grant funding these recipients currently receive is impacted by proposals • The need to understand the impact of ceasing discretionary grant funding
The wider VCS	<ul style="list-style-type: none"> • Do not currently receive funding from the Council but changes may affect the support they receive and their ability to apply for grants in the future
ICB	<ul style="list-style-type: none"> • Partner agencies may: <ul style="list-style-type: none"> - Fund the organisations/groups impacted - Signpost to the organisations impacted - Rely on the organisations to support their priorities
District and Borough Councils in Derbyshire	
Police and Crime Commissioner	<ul style="list-style-type: none"> • To understand the impact ceasing discretionary grant funding could have on partners
General Public	<ul style="list-style-type: none"> • To understand what impact (direct/indirect) ceasing discretionary grant funding could have on residents

5.8 During the proposed consultation period, consultations with current grant recipients, key stakeholders and partners will take place through a range of methods including, as a minimum, one-to-one meetings with current recurring grant recipients and a publicly available online questionnaire.

6. Alternative Options Considered

6.1 Alternative Option 1 Do Nothing – The Council could let current grant arrangements expire in March 2025 and not extend arrangements beyond this time without carrying out consultation. This option is not recommended as it would result in the Council failing to meet its obligations under the Derbyshire Compact and the Local Authority Best Value Statutory Guidance which states that funded organisations and service users should be given three months' notice, should be actively engaged as early as possible, and those affected should get an opportunity to have their say. Failure to meet these obligations would leave the Council vulnerable to legal challenge and reputational damage.

6.2 Alternative Option 2 Continue to fund discretionary grants annually – Whilst this approach would secure continuity of some community support and activity, alternative efficiencies would need to be identified in order to enable the Council to present a balanced budget in the future.

7. Implications

7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

8.1 Report to Cabinet – Voluntary and Community Sector Review 30 July 2020

8.2 Report to Cabinet – Voluntary and Community Sector Review 6 December 2021

8.3 Report to Cabinet – Voluntary and Community Sector Review 29 July 2021

8.4 Report to Cabinet – Voluntary and Community Sector Review 28 July 2022

8.5 Report to Cabinet – Budget Savings Proposals 2024/25 to 2028/29 11 January 2024

8.6 Report to Cabinet – VCS Infrastructure Provision 2024-25 14 March 2024

- 8.7 Report to Cabinet Member Health and Communities – Provision of Specialist Advice Services 2024-25 19 February 2024
- 8.8 Report to Cabinet Member Health and Communities – Provision of BME Community Support and Consultation Services 2024-25 19 February 2024

9. Appendices

- 9.1 Appendix 1 – Implications
- 9.2 Appendix 2 – Current CST grant allocations

10. Recommendation(s)

That Cabinet:

- a) Approve consultation on the cessation of discretionary grant funding.
- b) Notes that a further report will be submitted to Cabinet following conclusion of the consultation, including a full Equality Impact Assessment

11. Reasons for Recommendation(s)

- 11.1 To ensure the Council adopts a clear and consistent policy regarding discretionary VCS funding that is aligned to the Council's financial position and supports the delivery a balanced budget.
- 11.2 Formal consultation is required to understand the full implications of the proposals contained within this report. Consultation for twelve weeks is proposed to ensure the Council has sufficient time to carry out a robust consultation exercise and carefully consider the outcome of that consultation before any subsequent decisions are made.
- 11.3 A further report will be submitted to Cabinet following the conclusion of the consultation if approved to ensure that Cabinet is fully informed of the outcomes of the consultation and Equality Impact Assessment, before it makes a decision about the cessation of VCS discretionary grant funding.

11. Is it necessary to waive the call in period?

- 11.3 No

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Implications**Financial**

- 1.1 The table below summarises the total amount of annual funding and number of discretionary grants from the budget held by the Strategy and Policy Team within the POC division in 2024-25.

Discretionary VCS Grants

Grant Area	Number	£'s
VCS infrastructure	11	£206,892
BME Consultation and Support	6	£26,540
Specialist Advice Service	3	£100,524
Total	20	£333,956

- 1.2 The Budget Savings Proposals 2024/25 to 2028/29 report approved by Cabinet in January 2024 sets out the significant budget pressures being faced by the Council and the necessity to deliver a significant programme of savings and efficiencies during 2024/25 and beyond. The proposal to cease discretionary grant funding could result in an additional £0.334m being saved from this budget.
- 1.3 If discretionary grant funding ends there will be specific financial impact on individual organisations which will be ascertained through the consultation and engagement process.

Legal

- 2.1 The Council has power to provide grants to voluntary and community sector organisations under the general power of competence set out in section 1 of the Localism Act 2011 but there is no statutory duty to provide grants to these voluntary organisations.
- 1.1 The proposal triggers the duty to consult with the public and those directly affected including the organisations, service users and relevant stakeholders.
- 1.2 Case law has established the minimum requirements of consultation, which, if not met, usually renders the consultation unlawful and any

consequential decision liable to be quashed. When undertaking a consultation exercise, a public authority must:

- a) undertake the consultation when the proposals are at a formative stage;
- b) provide sufficient reasons for the proposal, so as to permit intelligent consideration and response;
- c) provide adequate time for consideration and response; and
- d) take the products of consultation conscientiously into account.

1.3 In assessing these proposals, the Council should also have regard to the Public Sector Equality Duty ('PSED') under the Equality Act 2010.

1.4 The PSED requires public authorities to have "due regard" to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010 (*section 149(1) (a)*).
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it (*section 149(1) (b)*). This involves having due regard to the need to:
 - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it (*section 149(4)*); and
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - foster good relations between persons who share a relevant protected characteristic and those who do not share it (*section 149(1)(C)*).

1.5 Preliminary consideration has been given to the impact of the proposals on persons with protected characteristics in drawing up these proposals. In particular it is recognised that the methods and content of the consultation will need to be designed so as to fully reflect the needs

of the relevant protected groups, in particular older people and disabled people.

- 1.6 In addition, regard has been given to the Equality Impact Analysis (EIA), as referenced within the report. A full EIA will be prepared during the consultation process and will reflect on issues that are raised during the consultation process. This will be reported in full to Cabinet and a full copy of the EIA made available to Members in order that any adverse impact along with any potential mitigation can be fully assessed. Cabinet members will be reminded at that time of the need to have careful regard to the conclusions of the EIA.

Human Resources

- 3.1 The voluntary and community sector organisations currently funded by the Council as part of this report are independent of the County Council and therefore there are no workforce implications.

Information Technology

- 4.1 None.

Equalities Impact

- 5.1 A draft EIA has been completed prior to any formal feedback, to inform the position to end discretionary grant funding.

Corporate objectives and priorities for change

- 6.1 The Council Plan values commit to spending money wisely, making the best use of the resources that the Council has. The Council Plan outlines the significant budget pressures facing the Council and the need to take additional action to transform the way the Authority operates, make additional budget savings, scrutinise all spending decisions and put in place cost control measures when required. It also highlights the new integrated strategic planning approach that has been used to better align the budget to the Council's priorities and assist in effective resource planning.
- 6.2 The proposals in this report align to this approach and ensure that the identified resources can be used in the most efficient and effective way to support the strategic objectives of the Council.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None.

VCS Infrastructure Support Payments

Organisation Name	Brief description of what the grant is provided for/activity it supports, including the type of service	April 2024 – March 2025 (£'s)
Amber Valley CVS This organisation is also in receipt of an ASCH infrastructure grant as highlighted at paragraph 4.14	Provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.	15,378
Bassetlaw CVS (Bolsover District) This organisation is also in receipt of an ASCH infrastructure grant as highlighted at paragraph 4.14	Provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.	34,390
Chesterfield Volunteer Centre	Provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.	23,471
Derbyshire Dales CVS This organisation is also in receipt of an ASCH infrastructure grant as highlighted at paragraph 4.14	Provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.	15,378
Derbyshire Voluntary Action This organisation is also in receipt of an ASCH infrastructure grant as highlighted at paragraph 4.14	Provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.	5,305
Erewash Voluntary Action CVS This organisation is also in receipt of an ASCH infrastructure grant as highlighted at paragraph 4.14	Provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.	15,378

High Peak CVS This organisation is also in receipt of an ASCH infrastructure grant as highlighted at paragraph 4.14	Provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.	15,378
Links CVS	Provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.	36,058
South Derbyshire CVS This organisation is also in receipt of an ASCH infrastructure grant as highlighted at paragraph 4.14	Provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.	15,378
Rural Action Derbyshire	Provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.	15,378
BME Infrastructure	Provide information, support, guidance, training, funding advice for groups, support to recruit and manage volunteers, promote good practice and provide a VCS perspective to the statutory sector at strategic level forums.	15,400
Total		206,892

Specialist Advice Services

Funded organisation	Brief description of what the grant is provided for/activity it supports, including the type of service	April 2024 – March 2025 (£'s)
Derbyshire Law Centre	Provide specialist legal advice throughout the county	60,524
	Provide specialist employment advice Services to cover Derbyshire Dales, Amber Valley, Erewash and South Derbyshire	29,600
Citizens Advice Mid-Mercia	Provide specialist legal advice in South Derbyshire	10,400
Total		100,524

BME Consultation and community support

Funded organisation	Brief description of what the grant is provided for/activity it supports, including the type of service	Grant 2024-2025 (£'s)
Asian Association	Strengthen the capacity of the BME sector as a whole within the county of Derbyshire, engage with the Council and participate in the BME forum.	3,744
Chesterfield African Caribbean Community Association	Strengthen the capacity of the BME sector as a whole within the county of Derbyshire, engage with the Council and participate in the BME forum.	3,744
Chesterfield Muslim Association	Strengthen the capacity of the BME sector as a whole within the county of Derbyshire, engage with the Council and participate in the BME forum.	1,821
Derbyshire Chinese Welfare Association	Strengthen the capacity of the BME sector as a whole within the county of Derbyshire, engage with the Council and participate in the BME forum.	2,186
Muslim Welfare Association	Strengthen the capacity of the BME sector as a whole within the county of Derbyshire, engage with the Council and participate in the BME forum.	1,821
Consultation and Engagement (Links CVS)	Facilitation of a sustainable method of consultation and engagement with BME communities in Derbyshire.	13,224
Total		26,540