

**DERBYSHIRE COUNTY COUNCIL**

**IMPROVEMENT AND SCRUTINY COMMITTEE – PLACES**

**18 September 2020**

**VOLUNTARY AND COMMUNITY SECTOR GRANT FUNDING REVIEW**

**1. Purpose of the report**

To provide an update on the Council's review of voluntary and community sector (VCS) grants and progress made on the review of voluntary and community sector infrastructure provision over the last 12 months.

**2. Information and Analysis**

**2.1 Background**

At its meeting on 28 February 2019, Cabinet agreed plans to undertake a council wide review of VCS grants. It was agreed that the review would:

- Consider all grants provided by the Council to VCS organisations in Derbyshire and subsequently develop a coordinated and consistent council wide approach to allocate future resources
- Consider the support provided by the Council to VCS infrastructure organisations across Derbyshire, in collaboration with partners, and develop a new model for allocating funding moving forward which supports the Council's ambitions and priorities.

In November 2019, the Places Improvement and Scrutiny Committee were presented with a report outlining progress on and work that had been taken place to review the support provided to the sector by VCS infrastructure organisations. The report also provided initial detail of the development of a new funding model for infrastructure providers which would form the basis of proposals for consultation with the sector in due course.

On 16 January 2020, draft proposals on the future funding model of voluntary and community sector infrastructure support, setting out principles for the new approach alongside a revised funding methodology, were considered by Cabinet and approved for consultation for a period of 12 weeks. The emergence and impact of the coronavirus pandemic had a significant impact on the consultation process, which took place at a time when the voluntary and community sector were being called upon to mobilise around both a national and local response.

In Derbyshire, during what was a challenging time, VCS and infrastructure providers across the county worked across communities to mobilise efforts to ensure that vulnerable people had enough food and medication to support their health and wellbeing.

The Council received over 800 responses to the consultation and whilst a number of VCS organisations indicated that they were unable to respond fully to the consultation process, there was overall broad support for identified principles, key elements of the approach set out in proposals and agreement that these should form an essential platform for the new approach. However, responses to the consultation also highlighted concerns about the proposed reductions in funding to organisations in areas such as Erewash, High Peak and South Derbyshire, as a result of the proposed funding redistribution methodology.

## **2.2 Proposals on the future funding of VCS infrastructure provision**

Following detailed analysis of consultation responses and internal discussions with key stakeholders, revised proposals were developed and approved by Cabinet at its meeting on 30 July 2020. Cabinet agreed that a number of key components of the original infrastructure proposals, deemed essential in taking work forward, were to be maintained. A number of key revisions to proposals were also approved for an interim period whilst further work on the review takes place over the next 12 months.

The revised proposals are attached at Appendix A for information. The essential components which form part of proposals from 1 October 2020 onwards include the following:

- **Agreed principles** - The Council will adopt the agreed guiding principles, as set out in original proposals, in its approach to funding infrastructure providers moving forward. These principles are integral to ensuring that any work with infrastructure providers works towards a common vision and guides emerging action.
- **Shared outcomes framework** - Organisations will start to move under the shared framework which is focused on outcomes. This may take some time, but organisations should be committed to delivering core VCS support and be prepared to deliver against agreed Key Performance Indicators. This will ensure that over time, funding can be consistently monitored, measured and providers can demonstrate impact and value for money.
- **Funding methodology** - Funding will be allocated at a district level and where there are multiple providers within a district, they will be required to work together. This will ensure that duplication is avoided and that better outcomes are achieved.
- **Fair distribution** - The Council is committed to the principle that support for the VCS across the county should be fairly distributed.

Cabinet agreed that the following interim arrangements would be put in place whilst further work takes place:

- There would be no reduction in funding to those infrastructure organisations who are currently funded by the Council from 1 October 2020 – 30 September 2021.
- Those areas which were due an uplift in funding through a commitment to redistribute the funding would see that uplift honoured.
- Current funding would therefore be committed for a period of one-year, not the four years outlined in the original proposal. Work should take place over the next year to look at ways the Council can make a longer-term commitment to providers.
- Interim funding arrangements would be based on providers commitment to the essential components outlined above.
- Over the forthcoming year the Council would continue its work with infrastructure providers to make the changes necessary to delivery arrangements. This would include taking-stock of the last four months and understanding and apply the learning from Covid-19.

Maintaining current funding allocations and honouring the proposed uplift in funding totals £453,228, which is an additional £99,226 funding for providers. Cabinet agreed that all current grant allocations and their values should be maintained for a one year interim period and that no infrastructure provider would see their funding reduced. Where there was an uplift in funding, providers would be supported to agree how the additional funding would be allocated. Cabinet also approved an additional payment of £11,244 to Bassetlaw CVS for the work undertaken to support Covid-19 response in Bolsover over the six-month period between April and September 2020.

The report also outlined that whilst levels of funding would not be reduced, Service Level Agreements would be revised to fall in line with the essential elements described above.

### **2.3 Current position**

Since, revised proposals were approved by Cabinet in July 2020, officers have been working with current infrastructure providers on a district-by-district basis to draw-up new Service Level Agreements which align to the new approach, including those for countywide specialist provision. This work is expected to be completed by 30 September 2020.

The report to Cabinet also approved the extension of funding to all VCS organisations in receipt of a grant until 30 September 2021, whilst a review of existing arrangements took place. At the last meeting of the Places Improvement and Scrutiny Committee, where an update on the VCS Grants

Review was provided, officers outlined that a significant number of existing grants to the VCS were recurring, long standing awards which had not been reviewed for some time. Over the last twelve months, work on the development of a new approach has taken place as part of the review process. This has included the development of a cross-departmental Grants Framework which proposes a shift in the way that grants are currently developed, distributed, monitored and reviewed.

Although a significant amount of progress has been made on the development of a new approach to grant funding, it is important that the impact of Covid-19 across the sector in Derbyshire is reflected in the review process. The impact of Covid-19 has been felt by many local voluntary and community organisations and there is currently a mixed picture of what is and what is not currently being delivered and how and where resources are being mobilised towards Covid-19 response. There is also ongoing work through recovery, to understand the long-term impact Covid-19 will have on VCS organisations across the county moving forward. Cabinet therefore agreed that further work on the review of VCS organisations in receipt of grants take place from October 2020 onwards, and that future proposals be the subject of further reports to Cabinet in due course.

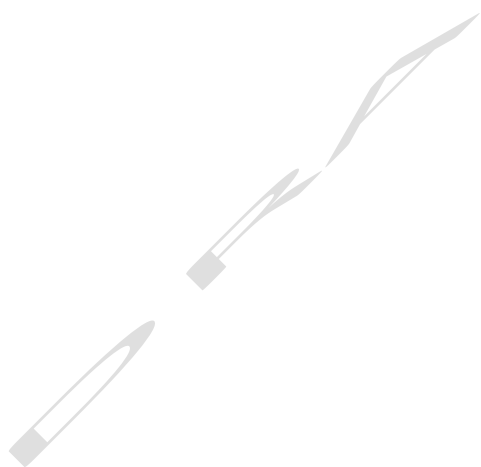
### **3. Officer's Recommendation**

The Committee is requested to:

1. Note progress made on the review of the Council's voluntary and community sector grants.

**Emma Alexander and Helen Jones**  
**Executive Director for Commissioning, Communities and Policy and**  
**Executive Director for Adult Social Care and Health**  
**Derbyshire County Council**

**Derbyshire County Council  
Voluntary and Community Sector  
Infrastructure support  
2020-2021**



## **Appendix A – VCS Infrastructure Support Plan**

### **Voluntary and Community Sector Infrastructure Grants**

#### **1. Introduction**

Creating empowered and self-sufficient local communities is a key priority for the Council and supporting the voluntary and community sector (VCS) to grow and thrive will be central to achieving this.

Whilst some voluntary organisations and charities are able to operate effectively without any assistance, the Council recognises that the sector includes a large number of voluntary and community groups that require varying levels of support in order to establish themselves, grow and thrive.

Local infrastructure organisations can provide the sector with a single front door to offer vital support to the VCS as and when a need arises. These organisations can also reach new, small and marginal organisations across the county, and generate invaluable feedback and intelligence about the sector. By knowing the local area and local needs, local infrastructure organisations can help the VCS to:

- attract funding
- operate good governance
- recruit and manage volunteers
- network and collaborate
- disseminate knowledge at a local level
- identify gaps and develop new activity
- influence the public sector

The Council recognises that this support is not free. To ensure a recognised and experienced provision is available, infrastructure organisations require ongoing investment to help support the communities we want to build together.

This will be new way of working with infrastructure providers which could have a significant impact on how some providers across the county are funded by the Council and what providers are asked to deliver going forward.

This proposal set out in this document will outline the:

- Design principles for the new approach
- Outcomes framework and key performance indicators
- Delivery model and collaboration
- Funding approach
- Monitoring and review process

## Appendix A – VCS Infrastructure Support Plan

### 2. Principles

The Council wants to ensure that the VCS in Derbyshire is supported to grow and thrive. To achieve this the Council commits to the following principles in guiding its approach to developing and delivering infrastructure support moving forward:

- **Valued** – Infrastructure providers play a vital role supporting the VCS to allow communities to support themselves and meet the specific needs of local people
- **Sustainable** – The Council understands that its funding approach needs to offer greater sustainability to provider organisations, which includes certainty regarding future funding commitments
- **Transparent** – It must be made clear which organisations the Council funds for infrastructure support and what outcomes have been achieved for the Council's investment
- **Local** – The VCS works best when it is local and at the heart of communities. Any provision of support needs to reflect this
- **Proportional** – What the Council requires of infrastructure organisations will be commensurate to the level of funding provided
- **Outcome driven** – Infrastructure investment will focus on outcomes rather than how support is delivered
- **Fair** – Infrastructure funding needs to be fairly distributed throughout the county to ensure that community organisations receive an equitable offer of support regardless of their location
- **Independent** – The Council recognises the independence of the voluntary and community sector.

These principles have been developed following analysis of engagement and discussions with officers at the Council, current infrastructure providers and partner organisations which identified common themes and current challenges.

### 3. Infrastructure Model – the new approach

The infrastructure approach has been developed through a series of options papers, research and learning from the work so far, engagement and consultation with infrastructure providers and sector developments with other funding partners. The approach has the following key features:

1. The Council adopts an Outcomes Framework with agreed Key Performance Indicators, which forms the basis of a whole Council approach
2. Sector support is delivered by providers through collaboration based on district boundaries
3. An interim funding commitment until October 2021. Work will take place over the next year to look at ways the Council can make a longer-term commitment to providers.

## Appendix A – VCS Infrastructure Support Plan

### 4. The Outcomes Framework

Across Derbyshire, infrastructure organisations have different organisational models to support the sector. This means the Council needs to be clear about the types of support it wants to see delivered to the sector moving forward.

The purpose of having an outcomes framework is to allow the Council to have an articulated and shared understanding of its expectations and requirements from VCS infrastructure providers. It is expected that this will also support the agreement of clear and measurable objectives.

The framework (attached at Appendix B) outlines the three main outcomes for infrastructure support. These are:

**Outcome 1** - The VCS is supported to grow and develop, enabling residents to contribute to social and cultural opportunities, which enhances their lives and the lives of others

**Outcome 2** - There are increased pathways to volunteering which give opportunities to individuals to contribute to their community and enhances the sectors contribution across the county

**Outcome 3** - VCS organisations can be supported to contribute to the strategic priorities of the Council.

Whilst outcomes will be clearly defined at the outset of each grant arrangement, organisations will need to explain how they intend to achieve each outcome in their local area. This will mean that support can be delivered flexibly, responding to the varying requirements of the sector in each geographical area – through collaboration where necessary.

Against each outcome there will be a number of Key Performance Indicators that infrastructure providers will be asked to report on as part of the routine monitoring process (for example – amount of funding for the sector). By working to achieve clearly defined outcomes and reporting on these outcomes, organisations will be able to demonstrate their impact much more clearly and effectively.

The Council will work with infrastructure organisations on an ongoing basis to ensure that the outcomes and KPIs requested are relevant to the sector and proportionate to the level of investment.

### 5. Delivery model and collaboration

The Council recognises that across the county there are different sector support organisations which operate across different geographies.

To ensure the new approach is as simple as possible, all currently funded organisations will be given the chance to participate in discussions, where there are multi-providers in an area, providers will be invited to come together



## **Appendix A – VCS Infrastructure Support Plan**

and collaborate on how they can deliver the outcomes framework through a non-competitive process where possible.

Where there is more than one provider across a geography, collaborations will work most effectively across a familiar and recognised geography. It is therefore proposed that district boundaries are used as the basis to build any model, however some specialist support may have to be organised at a county level.

To participate in a collaboration or consortia arrangements the Council is clear that infrastructure providers will have to be working within the district in question and are a recognised infrastructure organisation. This means that they are accredited to a national body which would provide a level of quality assurance to monitoring officers.

The Council will work with VCS infrastructure organisations to determine how new arrangements can be established in each area, but there will be an expectation that providers will work together, build consensus and cooperation to deliver the outcomes framework jointly.

### **6. Grant Funding**

The Council will continue to use grant funding to secure the provision of sector support across the county.

Grant funding will allow organisations the flexibility to provide support that is responsive to local need, whilst delivering the Council's priority outcomes. Providers will be able to deliver local activities that are tailored to the specific sector issues within their locality.

The Council believes given the overarching principles and the emergent nature of the work, grant funding would be the best tool to allow all parties to collaborate to establish an approach and allow the approach to adapt as the new model is implemented.

### **7. Funding Allocation**

All current grant allocations and their values will be maintained and therefore no infrastructure provider will see their funding reduced. Current infrastructure grant funders across the Council (Adult Care and Policy and Research) are committed in the long term to combine their grant funding as part of the new shared approach, so that providers are issued with one grant allocation, have one point of contact at the Council and will be asked to provide one monitoring report – but this should be done at time which suits both funders and providers.

## Appendix A – VCS Infrastructure Support Plan

Infrastructure grant funding will be distributed throughout the county on a fair and consistent basis. This should ensure that VCS organisations in each geographical area receive an equitable offer of support, enabling the sector to grow and develop support around the needs of local communities.

All district allocations will therefore be brought up to a minimum of £41,500 per year to deliver the objectives outlined in the outcomes framework. Where there is an uplift in funding, providers will be supported to reach agreement on how the additional funding will be allocated.

The combined total funding therefore for infrastructure support across the county will be £453,228 per year. This is a real term increase of 13% total funding and 28% increase on the original proposals as they included a 30% reduction from the Policy and Research budget taken in 2014.

There is also a separate countywide allocation of funding for support to the BME and Rural VCS sector. Both allocations have a combined value of £30,778 per year and remain unchanged. For these allocations providers will also have to work within the outcomes framework and deliver against the KPI's commensurate to the amount of funding and specific challenges working across those communities of need.

The chart below shows the anticipated change in funding, outlined by district.

Area	Current Funding	Proposed Funding	Change
Amber Valley	£47,896	£47,896	£0
Bolsover	£22,488	£41,500	+£19,012
Chesterfield	£24,460	£41,500	+£17,038
Derbyshire Dales	£50,511	£50,511	£0
Erewash	£72,473	£72,473	£0
High Peak	£73,808	£73,808	£0
North East Derbyshire	£24,461	£41,500	+£17,039
South Derbyshire	£52,262	£52,262	£0
County Wide (BME and Rural)	£30,778	£30,778	£0
Total	£399,137	£452,228	+£53,089

### 8. Commitment, monitoring and review

Covid-19 has changed the operational context of the review and this needs to be accounted for in any new way of working with infrastructure providers going forward.

## Appendix A – VCS Infrastructure Support Plan

New service level agreements for core infrastructure services will be developed and used for infrastructure support. This would provide clarity of the Council's expectations of a consistent, high quality offer throughout the county. Where specialist infrastructure services are required such as activities supporting specific departmental priorities, additional elements could be included in the SLA.

Seeking consensus on the approach and a commitment of organisations to move this work forward builds a solid foundation for the future. This will allow organisations to begin to embed the outcomes framework and where necessary, develop new ways of working that better support the delivery of those outcomes. Grant-aid flexibility will give organisations the time and space to effectively work together if necessary and plan how they will deliver against the framework – as an ongoing, developmental process.

The Council will therefore work more closely with infrastructure providers in the short to medium term, as it has done with Covid-19 response and recovery in Derbyshire. This will include taking-stock of the last four months, understanding and applying the learning from Covid-19 and looking at ways the Council can make a longer-term commitment to providers.

## Appendix A – Outcomes Framework Infrastructure Support

Vision		Build a sustainable, diverse and vibrant Voluntary and Community Sector across Derbyshire				
High level outcomes	<b>Sector Support</b> 'Derbyshire's VCS is supported to grow and develop, enabling residents to contribute to social and cultural opportunities which enhances their lives and the lives of others'			<b>Volunteer Support</b> 'Increased pathways to volunteering gives opportunities to individuals to contribute to their community and enhances the contribution of the sector'	<b>Strategic Support</b> 'VCS organisations can be supported to contribute to the strategic priorities of the Council'	
	Maintain a local presence	Build sector capacity	Volunteer Brokerage	VCS has a strong voice	Effective information and collaboration	
Accreditation Mark	NAVCA	NAVCA	VCQA	NAVCA	NAVCA	
Core Funding - whole sector support	Objectives	<ul style="list-style-type: none"> <li>Work to maintain an effective local VCS</li> <li>Identify gaps in local provision</li> <li>Understand the needs of the local sector</li> <li>Support a diverse range of organisations, groups and activities</li> <li>Encourage a diverse range of activities across all age ranges</li> <li>Maintain and updating membership and local intelligence</li> <li>Signpost to local services where appropriate</li> <li>Market of the sector and its purpose</li> </ul>	<ul style="list-style-type: none"> <li>Work with and develop new groups and activities</li> <li>Help organisations secure new and existing funding</li> <li>Ensure organisations can manage and plan for financial wellbeing</li> <li>Ensure organisations have practices and processes which are transparent and safe</li> <li>Support organisations to maintain a strong organisational framework and excellent standards</li> <li>Support non-constituted groups where necessary</li> </ul>	<ul style="list-style-type: none"> <li>Promote volunteering</li> <li>Scope and maintain local knowledge about volunteer opportunities</li> <li>Support related groups to meet their volunteer needs</li> <li>Identify the needs of volunteers to improve provision for volunteers</li> <li>Build confidence and self-esteem of volunteers and potential volunteers</li> <li>Help residents understand the value of volunteering and the difference it makes to communities</li> </ul>	<ul style="list-style-type: none"> <li>Provide a clear pathway of communication between the Council and the sector</li> <li>Ensure that smaller organisations have a voice</li> <li>Support the Council to involve the sector in key decisions which may affect them</li> </ul>	<ul style="list-style-type: none"> <li>Support positive relationships between the sector to support the priorities of the Council</li> <li>Ensure the sector understands Council priorities</li> <li>Enable formal and informal networking opportunities both locally and strategically</li> <li>Support organisations and groups to share resources, best practice and develop initiatives</li> </ul>
	Objectives	<ul style="list-style-type: none"> <li>Support initiatives to tackle issues at a local level</li> </ul>	<ul style="list-style-type: none"> <li>Above support to specific groups such as health and social care or BME</li> <li>Support grant programmes and grant funded schemes</li> <li>Support the formation of alternative business models such as new social enterprises</li> </ul>	<ul style="list-style-type: none"> <li>Support the uptake and delivery of the DCC volunteer passport</li> </ul>	<ul style="list-style-type: none"> <li>Represent the sector within strategic meetings and forums - Derbyshire Partnership Forum - Health and Wellbeing Board</li> <li>Support the sector to understand their impact and social value</li> </ul>	<ul style="list-style-type: none"> <li>Support corporate and departmental priorities (e.g. Thriving Communities, prevention)</li> <li>Build a diverse marketplace of providers across the sector</li> <li>Support organisations understand with Council tendering, bidding and monitoring processes.</li> <li>Ensure that VCS services are visible in service development and delivery</li> </ul>
Specialist Support - priority - demographic - theme - department	Objectives	<ul style="list-style-type: none"> <li>Range of activities in the community</li> <li>Diversity of the sector</li> </ul>	<ul style="list-style-type: none"> <li>Number of groups supported</li> <li>Number of new entrants to the sector</li> <li>Survival rate of sector organisations</li> <li>Amount of funding for the sector</li> </ul>	<ul style="list-style-type: none"> <li>Number of volunteers</li> <li>Number of opportunities for volunteers</li> <li>Number of projects supported</li> </ul>	<ul style="list-style-type: none"> <li>Sector participation in consultation</li> <li>Variety of involvement and consultation</li> </ul>	<ul style="list-style-type: none"> <li>Diversity of the marketplace</li> <li>Joint initiatives developed</li> <li>Groups sharing assets and resources</li> </ul>
	KPI's					

## Appendix A – Outcomes Framework Infrastructure Support

### Sector support

*'Derbyshire's VCS is supported to grow and develop, enabling residents to contribute to social and cultural opportunities which enhances their lives and the lives of others'*

#### Maintain a local presence

- Develop and maintain a variety of local communications including:
  - Database
  - Community directory
  - Newsletters
  - E-bulletins
  - Websites (for information sharing and collation and cascading of information)
- Provide or have access to information on a range of spaces to enable communities to share resources, meet and develop.

#### Building Sector Capacity

- Assist voluntary and community organisations to develop constitutions, policies, management committee roles and business planning
- Provide information via one to one, website information and e-bulletins and social media to help voluntary organisations develop their organisational structures, governance and legal structures
- Provide financial management support and training
- Support funding searches and assist with writing bids
- Organise funders workshops and surgeries
- Organise funding workshops and events.
- Deliver training to the sector
- Enable opportunities to access national available resources, for example Locality and their Lighthouse offer

### Volunteer support

*'Increased pathways to volunteering gives opportunities to individuals to contribute to their community and is accessible to all'*

#### Volunteer brokerage

- Source volunteer opportunities
- Referrals to volunteer opportunities, supported as needed to ensure successful placements
- Provide volunteer management training
- Volunteer training, including supporting the delivery of and encouraging the uptake of Derbyshire Volunteer Passport Training
- Organise volunteer Coordinators Forums and web based information - regular support for all volunteer involving organisations
- Undertake or support specific volunteer projects to meet community need

### Strategic Support

*'VCS organisations can be supported to contribute to the strategic priorities of the Council'*

#### VCS has a strong voice

- Represent the voluntary and community sector in partnerships, meetings and boards
- Represent the Voluntary Sector and support other voluntary sector organisations to provide accountable and informed representation at strategic and local meetings
- Facilitate information and activities to enable the voice of the sector, local groups and their members to be communicated at a strategic and local level
- Use recognised communications process to inform commissioners of policy, practise and needs of VCS and communities
- Work collaboratively with statutory organisations to consult, inform and involve wider VCS, disseminating information and collecting views from groups and their members via appropriate media including bulletins, networks and forums

#### Effective information and collaboration

- Provide networking opportunities for community organisations
- Liaise between the statutory sector and voluntary sector

