



**TITLE OF REPORT A PLACE FOR EVERYONE – LB HACKNEY MAIN GRANTS
2020/21 AND 2021/22**

Key Decision No. CE Q27

CABINET MEETING DATE (2019/20) 20 January 2020	CLASSIFICATION: Open If exempt, the reason will be listed in the main body of this report.
WARD(S) AFFECTED All Wards	
CABINET MEMBER Cllr Selman Community Safety, Policy and the Voluntary Sector	
KEY DECISION Yes REASON Affects Two or More Wards	
GROUP DIRECTOR Tim Shields Chief Executive	

CABINET MEMBER'S INTRODUCTION

- 1.1** I am very pleased to introduce this report that outlines the recommendations for the Main Grants funded through the 2020/21 Voluntary and Community Sector (VCS) Grants Programme.
- 1.2** Main Grants are available for two years subject to available budget and satisfactory delivery in year one. Recommendations contained in this report are for one and two year grants as we are currently in the second year of delivery of the last round of two year grants. This report therefore sets out recommendations and seeks approval for disbursement of £963,655 Main Grants over two years with £535,024 awarded for the first year in 2020/21.
- 1.3** We have advised organisations of funding recommendations more than three months before the end of the current financial year, giving organisations more time to plan ahead, consider other funding sources and manage the implications of any changes in the grant they receive. Applicants were also provided with the opportunity to request a review of the recommendation, through the 'Vulnerability Review' process which provides an opportunity for groups that are not being recommended for funding to make a case for reconsideration based upon the impact on the organisation and their service users of not receiving a grant.
- 1.4** It is evident from the amount of funding requested this year (2020/21) that the sector is facing continued financial challenges. We recognise those challenges. The grants programme was reviewed in 2015 but given the scale of the financial challenge we need to ensure that the programme remains fit for purpose, maximises our investment and offers the best approach to supporting the sector and its beneficiaries. The new VCS strategy developed with our partners in the sector aims to ensure that our future relationships provide the best possible outcomes for Hackney and its residents. A review of the grants programme over the next six months will ensure that our investment in the sector is aligned to this strategy. I will be bringing a report to Cabinet that will outline the recommendations from this review.
- 1.5** Learning from the development of the new VCS Strategy has also identified the need to think more strategically about our investment in the VCS and the need to work with the sector in a more insightful and supportive way to identify creative and long term solutions for organisations and the residents they serve. This report therefore also sets out recommendations for investment in greater internal strategic capacity.
- 1.6** Planned underspend from this year and the remaining grant for 2021/22 not being committed as part of the two year grants, will ensure that there is a programme of investment available for the sector in 2021/22. The 2021/22 programme will begin to respond to the findings of the grants review. The

decisions for this round of two year grants will be brought back to Cabinet in January next year for approval for 2021/22.

- 1.7 I would like to take this opportunity to thank Council officers and colleagues from the VCS, for their contribution to the assessment process. They are required to assess a high volume of high quality applications to reach these recommendations and I am grateful for their hard work.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This Council has a strong financial track record but seven years of Government cuts are taking their toll on public services, as more and more people are turning to councils for support, with less and less money available to help them. In Hackney, our Government grant has shrunk from £310m in 2010 to £180m this year – and by 2020 it is expected to be just £170m - a cut of 45% per head of population we have seen the biggest funding cut of any London borough at £529.
- 2.2 Despite this the Council has protected the funding for the Voluntary and Community Sector Grants as part of the wider approach to protecting frontline services where possible. The draft budget available for grants in 2020/21 is £2,512,786 and this report recommends £2,164,785 for Specialist, Advice, Main, Holiday Playscheme grants and awards made through the Vulnerability Review. Recommendations on Small Grants will be reported to Cabinet in February and July 2020.
- 2.3 In response to the launch of 2020/21 VCS grants programme for Main Grants (including Holiday Playscheme) £5,068,874 was requested in applications for 2020/21 and 2021/22. £535,024 is recommended for award in 2020/21 and £428,631 in 2021/22. It is also recommended that £747,333 in 2020/21 is awarded to continue Specialist Grants against delivery of specific activities such as infrastructure support for the VCS. This includes £262,333 for adventure playgrounds which are commissioned by Young Hackney.
- 2.4 Approval for the second year of Advice grants is also sought. This includes £18,922 to support the advice transition. Three advice providers have achieved annual savings of £8,594 which means the amount contributed by planned underspend in the wider grants budget to support the advice transition has reduced to £10,328 in 2020/21. Hackney Advice Service, the consortium led by Deaf plus made a saving of £7520 for year two. The remaining £1074 is the result of contract negotiations at the beginning of the contract, where two organisations revised their budgets which were slightly under the amount offered.
- 2.5 From the remaining balance £170,000 will be available to the VCS in the form of Small Grants (including further ring-fenced funding for Holiday Playschemes) and Community Chest. Three playschemes will be funded

through the Main Grants in 2020/21 compared to two this year. To ensure that funding is available to Holiday Playschemes £50,000 of the Small Grants budget will be ring fenced, potentially resulting in ten further projects. Recommendations on Small Grants will be brought back to Cabinet in February and July this year.

- 2.6** There is £178,000 (including contingency) which has not been allocated to a specific grant stream in 2020/21 and this will be carried forward. The current estimate in reserves is £220,000 for disbursement in 2021/22 for Main Grants awarded on a one year basis and to respond to the priorities that emerge from the review of the grants programme. The intentions for this funding will be presented to the Cabinet meeting later in the year.

Grant	2020/21	2021/22
Main Grants	£535,024	£428,631
Specialist Grants	£747,333	
Advice Grants	£780,326	
Vulnerability Review	£102,100	
Small Grants and Community Chest	£170,000	

- 2.7** The assessment process for the programme continues to benefit from the input of officers from across the Council and colleagues from the Voluntary and Community Sector (VCS). This year each of the assessment teams included one representative from the VCS or an external agency. An initial two stage process assessed applications individually and then these were moderated within teams to ensure that the projects passed to the final Grants Panel were consistently strong in terms of their impact and ability to deliver. Assessors are faced with difficult deliberations when agreeing the final recommendations as the grant amount requested significantly exceeds the budget available and feedback this year indicated that the quality of applications was very high.
- 2.8** Applicant organisations applying for a Main Grant were also provided with the opportunity to request a review of the recommendation, through the 'Vulnerability Review' process which provides an opportunity for groups that are not being recommended for funding to make a case for reconsideration based upon the impact on the organisation and their service users of not receiving a grant. This has resulted in an amendment to the initial recommendation for nine applicants. However the available budget remains the same and it is not possible to fund every organisation that applies to the programme.
- 2.9** The VCS grants programme is not the only means of support that the Council provides to the Voluntary and Community Sector. Despite the economic

challenges, the Council has continued to commission organisations to deliver services, subsidised through discounted rents to organisations occupying properties within the VCS property portfolio and administered a Discretionary Rate Relief scheme.

3. RECOMMENDATION(S)

- 3.1 To agree the schedules of grant awards totalling £2,164,785 as listed in Appendix 1 for 2020/21.**
- 3.2 To agree in principle approval for a second year of funding for some organisations receiving a Main Grant 2020/21, as set out in Appendix 1 and subject to future budget availability.**
- 3.3 To approve the extension of the Specialist Grants to ensure future alignment with the VCS Strategy following the forthcoming review of grants, as set out in Appendix 1.**
- 3.4 To approve the second year of Advice Grants totalling £761,406 and additional transition funding totalling £18,922 for three Advice Service providers.**
- 3.5 To agree that £170,000 should be ring-fenced for Small Grants including Holiday Playschemes and Community Chest.**
- 3.6 To agree that £131,932 from the programme is invested in maximising the outcomes for the grant and the wider sector through additional officer support.**
- 3.7 To agree that the Council will additionally contribute to the London Boroughs Grant Scheme 2020/21 and note that the contribution will be in the region of £209,346.**
- 3.8 To note that approximately £400,000 will be carried forward to increase the available budget for the Main Grants open programme for 2021/22 and to respond to the findings of Grants Review which will be carried out in 2020.**

4. REASONS FOR DECISION

- 4.1 A Place for Everyone open grants programme**
- 4.2 The recommendation to launch a Voluntary Sector Grants Programme was agreed by Cabinet on 17 June 2019 based on the budget for 2020/21. In order to accommodate the Council's budget setting timetable,**

recommendations approved at Cabinet on 20 January 2020 will be subject to the approval of the Council's budget in February 2020.

- 4.3** The Grants Programme also currently invests in a number of activities through Specialist Grants which are awarded directly to organisations. For the smaller organisations currently funded, the grants mostly provide security to give them space to address issues and undertake development work to move towards becoming more sustainable and less dependent on the Council in the future. For the organisations that have an infrastructure remit, the Specialist grant funding recognises their reach across the sector, and is more focussed on their strategic activities to support the Council's priorities.
- 4.4** A full review of Specialist Grants was completed in 2017 which identified where investment should be focused in the future. Consideration was given to the impact of these grants through a set of high level questions and assessment against the new Community Strategy and emerging Voluntary and Community Sector Strategy, as a way of appraising and vetting future investment. Rather than review these grants separately from the forthcoming whole programme, these grants will continue for another year from April 2020. Any recommended changes will be reported to Cabinet in June 2021.
- 4.5** In March 2019 Cabinet approved funding for two year grants for Advice Services. The associated delegated powers report set out how funding would be allocated including additional funding from the unallocated budget for the 2019/20 wider grants programme. This included a transition package of £50,000 for Hackney Community Law Centre which had been unsuccessful at securing a grant at the same level as in previous years. £15,000 was also directed towards transition and development arrangements for three organisations. The transition funding was not intended to help meet demand, recognising that the demand into all advice services is high, but instead took into account an assessment of the risk to service users within the context of the wider advice service.
- 4.6** The criteria to assess eligibility included where the level of funding would have a significant impact for the borough and service users. In regards to advice service organisations this would include financial viability over a year to 18 months and what would be needed to stabilise the organisation, the strength of the business/management model and the ability/ support needed to adapt. It would also assess capacity risks such as the current size and stability of organisation and need for support to grow and how much has it got to grow e.g. doing something new. Funding in the first and second years would therefore be to stabilise, not maintain.
- 4.7** Two organisations were identified for funding in both years one and two and one (Praxis, funded in partnership with Hackney Migrant Centre) for funding in year two only (as funding in year one has been met through pro rata of the budget).

Organisation		Year 2
Day-Mer	Risk to continuing advice provision due to their current financial position and the importance of their contribution to the advice framework offering advice to Turkish and Kurdish communities.	£8640
Hackney Chinese community services	Support needed to stabilise and grow to offer a new service to Chinese and Vietnamese populations not currently met by wider advice provision	£8258
Praxis (in partnership with Hackney Migrant Centre)	Support needed to grow and work in partnership to support a new way of working	£2024
Total		£18,922

- 4.8** In accordance with approval by Cabinet in June 2019, the 2019/20 VCS grants programme opened to Main Grant Applicants (including Holiday Playscheme applications) on the 3rd of July 2019 and closed on 16th September 2019.
- 4.9** Improvements are being introduced to the way investment is managed and directed reflecting the new approach to investment outlined in the VCS Strategy. The strategy has identified that grant funding in itself is no longer sufficient to support the sector and has not resolved financial difficulties for some organisations who are having to use their reserves to maintain delivery, whilst at the same time lacking capacity to fundraise or look for alternative forms of investment.
- 4.10** The grants programme in the future needs to enable creative responses to some of the challenges the sector faces as well as influence changes to culture and approach as outlined in the strategy. Funding and investment into the sector needs to be better understood now in order to make strategic decisions about future investment not only from the grants programme but across the Council. Support is needed to ensure early engagement with organisations to develop collaborative approaches to the Council's investment. This will help to build trust and collaboratively develop more creative and long term solutions for organisations and the residents they serve.
- 4.11** The Council is not simply buying a service from the VCS when it grant funds, and the unique way the VCS works must not be overlooked. Grant resources need to be targeted more strategically, and the impact of grant funding

extended by working with and supporting organisations to stretch their ambitions, abilities and capacity.

4.12 These changes will require increased collaboration and the development of new relationships with the Council, which are mutually supportive and built on trust and openness. Targeted support is needed for this to ensure that the Council's investment enables the VCS to grow in a sustainable way. There is an opportunity now to make changes over the short and long term to develop a different approach to investment in the VCS that involves investing in purpose and longer term outcomes not just short term project based activity.

4.13 In order to achieve these outcomes it is intended that £131,932 of the grants programme budget is used to fund two Senior Grants and Investment Officers within the Policy and Strategic Delivery Team. It is no longer sufficient for the Council just to understand the difference that is being made through its investment. A step change is needed to invest in working with the sector in a more insightful, supportive and enabling way that maximises the outcomes for the grant and ensures that it contributes towards the ongoing sustainability of the VCS.

4.14 The intention is not just to expand the Grants Team within Policy and Strategic Delivery, but revisit the way that grants management works, and the skills and competencies needed. By creating more strategic capacity the Council can become more outward facing which will ensure a greater flow of intelligence and more potential for collaboration. This will in turn mean that:

- relevant connections between grants investment and wider strategies are identified and forged
- the Council has a strategic overview of investment in the VCS across the organisation and in the borough, including grants, commissioning and subsidy and multiple funding arrangements
- a greater contribution to the understanding of investment in place and engagement with external funders on priorities for place, in line with the Community Strategy
- Engagement with other teams in the Council that work closely with funded organisations, to gather their perspective on delivery and impact

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5.1 The list of recommended and non-recommended applications is appended to this report in appendices 1 and 2.

6. BACKGROUND

6.1 Policy Context

6.1.1 The VCS applicants for grant aid had to meet the criteria set out within the grants guidance for Main Grants (including Holiday Playscheme) or the guidance for Social Welfare Advice Grants.

6.2 Equality Impact Assessment

6.2.1 An Equalities Impact Assessment (EIA) has been carried out (see appendix three) on the recommendations and the main recommendations of the EIA are to:

- Organisations provide information on how they are using the investment to contribute to the Council's equality objectives.
- Organisations are encouraged to use the vulnerability review process and explain the impact of the recommendations on particular communities.
- Where possible, organisations are encouraged to access alternative sources of funding.
- Enable transformation in the advice sector to reflect the aspirations and principles of the Compact and enable advice providers to work more efficiently, effectively and further build the capabilities and resilience of residents.

6.2.2 Equalities Impact Assessments (EIA) were undertaken to test the outcomes of the grants review and the proposed changes in 2015, and the review and changes to the advice grants reported to Cabinet in October 2018.

6.3 Sustainability

6.3.1 The Council will continue to administer the programme electronically through the use of grant software, which eliminates the need for paper applications, thus contributing to the Council's commitment to reducing carbon.

6.3.2 The VCS in Hackney plays an important role in the local economy, supporting both individuals and groups and makes a significant contribution to the community and civil life. Continuing to nurture and support the sector is fundamental to achieving sustainable communities in the borough.

6.4 Consultations

6.4.1 Consultation was undertaken in 2015 to ensure that the views of the VCS and residents shaped the proposals that emerged as a result of the review. Consultation was also undertaken to inform the new Compact and this in turn influenced the design of the new programme. Engagement across the Council was undertaken to ensure that services were able to inform the shape of the programme. Consultation was undertaken in 2018 which informed the need for a grants review which will be undertaken this year, aligning the programme to the new VCS Strategy.

7. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

7.1 This report requests approval for the following;

- Award grant funding as per schedule contained in Appendix 1 totalling £2,164,785 for **2020/21**.
- Approve in principle the second year funding contained in Appendix 1 totalling £428,631 subject to availability of budgets in **2021/22**.
- Approve the Advice grants contained in Appendix 1 for **2020/21** (this is included in the figure of £2,164,785). This is for the second year of grants awarded in 2019/20
- Approve ringfencing of £170,000 for small grants for 2020/21 to be awarded at a later date.
- Approve the transfer of £131,932 of the VCS grants budget to fund additional officer support on an ongoing basis.

Summary of expenditure vs budget for 2020/21

Draft Budget		Grants	
VCS grants budget	£2,644,718	Appendix 1	£ 2,164,785
Less transfer to officer support	(£131,932)	Small grants (ringfence)	£ 170,000
Estimated reserve c/fwd from 19/20	£ 220,000		
Total	£2,732,786		£2,334,785

Estimated surplus from 2020/21 budget to be carried forward to 2021/22 subject to approval of carry forward = **£398,000**. (£2,732,785 - £2,334,785)

7.2 This report also requests approval for the contribution to the London Boroughs Grant Scheme for 2020/21, the estimated cost for this is £209,346. A separate budget is held for this.

7.3 It should be noted that the council budget for 2020/21 has not yet been formally approved but we do not anticipate any changes to the VCS grants budget at this stage other than the transfer to officer support outlined in the table above.

8. VAT Implications on Land & Property Transactions

N/A

9. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES

9.1 The recommendations in this Report concern the Council's Voluntary and Community Sector Grants Programme for the year 2020/2021. Agreeing the award of grant aid from the voluntary sector grants programme is reserved to the Mayor and Cabinet under the Mayor's Scheme of Delegation (January 2017) so these awards will need to be approved by Cabinet.

9.2 The award of a grant is a discretionary function. The grant programmes in this Report are for Main and Specialist Grants and Advice Grants. In determining the scope and award of the programme the Council has considered the Equalities Impact Assessments (EIA) undertaken which helps to ensure the Council has complied with the requirements of the Equalities Act 2010.

APPENDICES

Appendix One – Recommended for grant funding

Appendix Two - Not recommended for grant funding

Appendix Three – EIA

OPEN

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

None

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