

<b>Committee:</b>	Cabinet	<b>Date:</b> Thursday, 5 September 2024
<b>Title:</b>	Achieving Outcomes in Partnership with the Voluntary Sector - Corporate financial support to the voluntary sector	
<b>Portfolio Holder:</b>	Cllr Sutton, Portfolio Holder for Communities and Local Partnerships	
<b>Report Author:</b>	Simone Russell, Interim Strategic Director, Housing, Health and Communities srussell@uttlesford.gov.uk	<b>Key decision:</b> Yes

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## Summary

1. This paper considers the council's medium term financial plan (MTFP) alongside wider corporate change initiatives within Blueprint Uttlesford; outlining options for commissioning services and making recommendations to move some grant funded services into an outcome-focused commissioning process. The starting point for this exercise in policy terms is the authority's Corporate Plan, with its four priorities established as:

- Protecting and enhancing our environment
- Encouraging economic growth
- Building strong communities
- Putting residents first

Of these priorities, activity around protecting and enhancing our environment is largely out of scope of this exercise, as currently funded through a separate Zero Carbon Grants scheme. Similarly, encouraging economic growth is largely out of scope of this exercise too, as addressed through the council's economic development strategy and associated funding.

2. In setting the budget in February 2024 Council agreed to remove £250,000 from its overall grants budget. However, transitional relief was found for the 2024/25 financial year only to mitigate the impact of this reduction as follows:
  - £25,418 in UK Shared Prosperity Fund (UKSPF) was used to support the voluntary sector [£335,418 was allocated to providers across the district such as Hearing Help Essex, Support 4 Sight, Uttlesford Citizens Advice etc].
  - £200,000 UKSPF is being allocated to assist community organisation providing play areas, community buildings and sports facilities.

- An underspend in council budget for 2023-24 was rolled forward to the Ward Members Initiatives grant.
  - Section 106 funding of £10,000 will support youth initiatives in Dunmow.
3. For 2025 and beyond, Members had a series of decisions to make about how to use the remaining funds. Following a process of review and prioritisation the following services have been recommended to be moved from an annual grants process to an outcomes-based commissioning process:
    - Information, advice and guidance
    - Rural isolation
    - Healthy, resilient and active communities (inc. sports and leisure)
    - Support for older people & those with learning difficulties
    - Youth
    - Arts and culture
  4. A remaining pot of money is available to offer as a grant fund and is recommended to fund small one-off projects with proposed strengthened governance.
  5. At a series of workshops held in 2024, Cabinet Members and Councillors from across parties discussed the previous grant arrangements and discussed priority outcomes to fund from 2025 onwards. These workshops defined a series of design principles to guide this work:
    - a. UDC will take an increasingly joined up approach with other agencies (mainly ECC, PFCC and the NHS). This will ensure further join up between the multi-agency priorities agreed through the Uttlesford Health and Wellbeing Board (which has only its own modest budget of c£20,000 for projects) and this mainstream UDC voluntary sector funding approach (as was highlighted as important by various groups in the engagement feedback with the voluntary and community sector).
    - b. All future funding should match current relevant agreed Corporate Plan Member priorities and should demonstrate transparency through the allocation process. The commissioning process will invite the voluntary and community sector to bring forward initiatives for funding that deliver against agreed outcomes – e.g. reducing rural isolation – rather than the council specifying solutions up front e.g. community transport. This does not preclude bids for such service provision but encourages the sector to take an outcome-focused approach, encouraging longer-term thinking in building sustainable solutions. Specifics of the application process are to be determined but will be kept proportionate to the scale of funding on offer in different categories. Both the application process and the subsequent monitoring regime will include appropriate

collection of information around service user take up, unit cost, outputs, outcomes etc.

- c. In the first instance, this funding is proposed on a three-year cycle (2025/26-2027/28) and thereafter on a four yearly cycle to reflect the district council electoral cycle. This would not constrain bids for a single year from the larger funding pot but would facilitate longer-term arrangements. A proportionate regime of oversight of multi-year funding agreements would be introduced, with the possibility of disinvesting in the event of under-performance against agreed activity/outcomes. An aspiration of offering longer-term funding arrangements is for the partners to be able to work to tackle the underlying problem rather than just provide a year's worth of response to it. This approach would both support repeat funding awards whilst also actively encouraging new entrants into the funding ecosystem and prompting new initiatives, leading to a turnover of funding allocations over time.
- d. The remaining (smaller) proportion of funding will be allocated as grant funding, with the expectation that it should be single year only (i.e. not open to repeat bids) and for generally smaller sums
- e. As promoted by the Joseph Rowntree Foundation, and as amplified in the engagement feedback from Uttlesford Citizens' Advice, this commissioning approach should actively promote collaboration between groups who can add value, rather than just a competitive bidding process. It will also particularly encourage bidding and delivery partnerships between voluntary sector agencies and Parish/Town Councils, with the stated aim of increasing funding available by encouraging resource contributions (building space from which to operate, volunteers and financially) from Parishes and Towns, and from other funders including the private sector and other partner agencies.
- f. In line with existing good budgetary practice, cost pressures should not be 'shunted' between statutory agencies through the commissioning/grants regime. Although this does not preclude members identifying as funding priorities issues which fall clearly within the statutory duties of the other agencies (e.g. youth service funding, which is a County Council function or domestic violence provision, which is led on by the Police, Fire and Crime Commissioner), this should be by exception and not as a rule.

6. The outcome of the member workshops identified the following approach:

Priority and overall allocation proposals	Outcomes	Approach
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Priority outcomes for 3-year funding agreements - £427k	<ul style="list-style-type: none"> <li>▪ Information, Advice and Guidance</li> <li>▪ Rural isolation</li> <li>▪ Healthy, resilient and active communities (inc. sports and leisure)</li> <li>▪ Support for older people &amp; those with learning difficulties</li> <li>▪ Youth</li> <li>▪ Arts and culture</li> </ul>	<p>£140k</p> <p>£52k</p> <p>£50k</p> <p>£110k</p> <p>£45k</p> <p>£30k</p>
Lower priorities, for one-off single-year funding £123k	<ul style="list-style-type: none"> <li>▪ Any other contribution towards Corporate Plan Outcomes. Two one-off funding streams – small grants (up to £500) or larger (£500-£3,000), including direct Member submitted or supported proposals</li> </ul>	£123k
Non-priorities for UDC funding	Nil	Nil

Reflecting various feedback from both the cross-party Member workshops and subsequent engagement with the voluntary and community sector, the amended allocations are now proposed as follows:

<b>Priority and overall allocation proposals</b>	<b>Key funding activity</b>	<b>Approach</b>
Priority outcomes for 3-year funding agreements - £467k	<ul style="list-style-type: none"> <li>▪ Information, Advice and Guidance (IAG), tackling poverty, more effectively mapping and coordinating data and evidence</li> <li>▪ Rural isolation</li> <li>▪ Healthy, resilient and active communities (inc. mental health and sports and leisure)</li> <li>▪ Support for older people &amp; those with learning difficulties</li> <li>▪ Youth</li> <li>▪ Arts and culture</li> </ul>	<p>£140k</p> <p>£62k</p> <p>£70k</p> <p>£110k</p> <p>£50k</p> <p>£35k</p>
Lower priorities, for one-off single-year funding £83k	<ul style="list-style-type: none"> <li>▪ Any other contribution towards Corporate Plan Outcomes. Two one-off funding streams – small grants (up to £500) or larger (£500-£3,000), including direct Member submitted or supported proposals</li> </ul>	£83k

Non-priorities for UDC funding	Nil	Nil
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## Recommendations

7. **Move to a three-year commissioning cycle (and from 2028/29 moving to a four-year cycle to match Uttlesford's electoral cycle) for :**
  - a. Providing information, advice and guidance services including homelessness prevention (£140,000 pa)
  - a. Connecting rural communities to prevent rural isolation including rural transport (£62,000 pa)
  - b. Healthy, resilient and active communities (inc. mental health, sports and leisure) (£70,000 pa)
  - c. Support for older people and those with learning difficulties (£110,000 pa)
  - d. Youth (£50,000 pa)
  - e. Arts and culture (£35,000 pa)

### An annual grant cycle for:

8. Any other contribution towards Corporate Plan Outcomes. Two one-off funding streams – small grants (up to £500) or larger (£500-£3,000), including direct member submitted or supported proposals.
9. Establishing strengthened governance to oversee grant funded services through a cross-party forum.
10. Cease ward member initiatives and include the previous budget as part of a wider grant fund in a new funding regime to be determined over coming weeks prior to launch for the 2025/26 funding year.

### Financial Implications

11. As part of the council's medium term financial savings of £250,000 were identified through the existing council grants. Although funding from the UKSPF and Section 106 has been utilised to assist with the reduction in funding for the current (2024/25) financial year, postponing the impact of these reductions which will be felt from 2025 and beyond.
12. As part of a wider corporate drive to stabilise the community grants pot applications have been moved into other funding streams where appropriate to maximise the value available to community organisations. For the financial year 2025 onwards the total amount available is £550,000 and it is therefore necessary to plan now how to manage future years with lesser resources.
13. This supports transparency of the full financial benefits that the organisations receive from the council, such as concessionary or nil rents. The council will account for this in its books the full value of this transaction. There will be no cash payments/transactions.

14. The recommendations outlined above have been made within this budget envelope.

### Background Papers

15. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report:

[Agenda for Voluntary Support Grant Committee on Thursday, 29th February, 2024, 10.30 am - Modern Council \(modern.gov.co.uk\)](#)

### Impact

16.

Communication/Consultation	<ul style="list-style-type: none"><li>▪ The proposals outlined in this report have been developed following a range of engagement and consultation activities internally.</li><li>▪ There is a need for extensive communications and engagement with the organisations impacted by the proposals. We will work with them to understand the proposals, identify other sources of funding and to manage the transition.</li></ul>
<ul style="list-style-type: none"><li>▪ Community Safety</li></ul>	<ul style="list-style-type: none"><li>▪ Ensuring appropriate police checks and safeguarding procedures are in place for organisations that allocate onward funding as a result of the grant that they receive – This is mitigated by grants being issued with a condition that checks are carried out and monitoring processes to confirm an effective process is in place.</li><li>▪ All organisations applying for funding are required to have an equalities policy (or have signed to say they will adhere to the District Council's policy) and where appropriate child protection and/or adult protection policies.</li></ul>
<ul style="list-style-type: none"><li>▪ Equalities</li></ul>	<ul style="list-style-type: none"><li>▪ Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard</li></ul>

	<p>to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper directly impact on end users. The impact has been analysed does not vary between groups of people.</p>
<p>Health and Safety</p>	<ul style="list-style-type: none"> <li>▪ Ensuring appropriate police checks and safeguarding procedures are in place for organisations that allocate onward funding as a result of the grant that they receive – This is mitigated by grants being issued with a condition that checks are carried out and monitoring processes to confirm an effective process is in place.</li> <li>▪ All organisations applying for funding are required to have an equalities policy (or have signed to say they will adhere to the District Council’s policy) and where appropriate child protection and/or adult protection policies.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Human Rights/Legal Implications</li> </ul>	<ul style="list-style-type: none"> <li>▪ The council has the power under the Localism Act 2011 (known as the general power of competence) to do anything an individual may do, unless specifically prohibited. This includes the power to make grants.</li> <li>▪ All organisations applying for funding are required to have an equalities policy (or have signed to say they will adhere to the District Council’s policy) and where appropriate child protection and/or adult protection policies.</li> <li>▪ This is subject to ensuring appropriate police checks and safeguarding procedures are in place for organisations that allocate onward funding as a result of the grant that they receive – This is mitigated by grants being issued with a condition that checks are carried out and</li> </ul>

	monitoring processes to confirm an effective process is in place.
<ul style="list-style-type: none"> <li>▪ Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Recommendations in this report will have a neutral carbon impact, given they are primarily process-based. The organisations supported will have varying carbon impacts, depending on the nature of their work.</li> <li>▪ There is no perceived impact regarding either an increase or decrease in carbon emissions in the district or supporting the resilience of the natural environment.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Ward-specific impacts</li> </ul>	<ul style="list-style-type: none"> <li>▪ No – the proposed changes are across Uttlesford.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Workforce/Workplace</li> </ul>	<ul style="list-style-type: none"> <li>▪ The development, administration and management of the grant scheme and funding models outlined in this report will have an impact on staffing resources. Input from the council's legal, procurement, communications, asset management/property and community wellbeing team will be required and will be met from existing resources.</li> </ul>

## Situation

17. Blueprint Uttlesford is the council's overarching corporate change programme launched in 2022. As part of an update report presented to Cabinet in June 2023, a series of service reviews were launched with the council grants programmes part of the first tranche to impact the 2024/2025 budget. Alongside cultural aspects, the service reviews had a combined savings target of £6.6m over four years (since adjusted to £7m) to deliver the council's medium term financial plan.
18. For 2024/25 projects funded include the Uttlesford Food Bank, Uttlesford Community Action Network, Uttlesford Citizens Advice, Action for Family Carers and Accuro. A full list of grants awarded is included can be found in the [agenda](#) for Voluntary Support Grant Committee, Thursday 29<sup>th</sup> February 2024.
19. **Youth Provision** – The Council has provided funding for youth services for a number of years. Although youth service provision is an Essex County Council function the administration made the decision to provide £50,000 funding as the County Council were reducing funding in this area. Matched



funding grants with the towns and parish councils of £10,000 for Saffron Walden, £7,500 Stansted and £5,000 for Great Dunmow have been made in the past, with the remaining money available to groups through an application process. The grants are determined by the Youth Initiatives Working Group which is comprised of Councillors (county and district) and officers.

20. **Arts and Culture** – The Council has historically not offered any overt ongoing financial support for arts and culture, beyond its (separate) operating budget to support the Saffron Walden Museum, and periodic grants to Thaxted Festival and the Maltings Museum in Dunmow. However, rental concession is provided Saffron Hall to support them with delivery of services, as it does to Home Start. Both organisations are not for profit, Home Start provide support for families across the district and their staff are based in UDC's London Road Office as are Saffron Hall staff, and the rent-free space provided is valued at £12k and £47k respectively.
21. **Support for older people and people with learning disabilities** – Uttlesford District Council also funded the Day Centres £44,400 towards utilities and operating costs alongside £55,000 in rental concession.
22. **Voluntary Sector Infrastructure Provision** - Essex County Council are in the process of moving towards funding infrastructure for the voluntary sector and volunteering county wide (excluding Southend and Thurrock) across Essex from 2025 for a period of five years with an option of an additional two years at a total contract value of £4,561,718 for the seven-year period. The services that are part of the core contract include digital support, capacity building, volunteering, income and resource attraction and maximisation. This will have an impact on Uttlesford, in particular negating the need for local funding for these services which were traditionally provided in the Uttlesford district by Uttlesford Community Action Network (UCAN). This report therefore envisages that no additional funding will be provided in coming years to provide support and enabling provision to the sector at a District Council level.
23. **Other grant funds** are available across Essex for organisations locally. Officers from across UDC are in the process of linking with neighbouring Districts and with the County Council, the NHS and the PFCC to coordinate funds and ensure visibility of funding opportunities. As a direct result of these discussions, Essex County Council and the Integrated Care Board (the NHS) have agreed to progress joint commissioning of rural transport (reducing rural isolation) and to consider options for information advice and guidance. Additionally, it was agreed to work more closely with Essex County Council, the Police, Fire and Crime Commissioner and the Integrated Care Board to coordinate youth services and services provided through the day centres.

#### **What do other local authorities do?**

24. When viewing other local authorities, it is clear that there is no common approach to grant giving/commissioning but that most have total awards of a lower value than Uttlesford and most also signpost organisations to other non-

council funds. There has been a consistent trend though over many years for authorities to move towards longer-term and outcome-focused commissioning, and less on annual grants awards.

## Community grants

25. When viewing other councils (District, Unitary and County) most have a small funds for low value community grants open for a specified period each year. These benchmarks demonstrate that there is no one right way for a local authority to grant-fund/commission voluntary sector activity but the values are generally significantly lower than that offered in Uttlesford. Additionally, there is no reference to information, advice and guidance usually provided by the local citizens advice bureau suggesting a different approach to funding that service.

26. For example;

- **London Borough of Redbridge** have a total fund of £50,000 to deliver projects to support the four pillars of their corporate plan (Safe and Healthy, Homes and Neighbourhood, Jobs and Skills and or Clean and Green).
- **South Cambridgeshire District Council** have several funds for small grants including the Community Chest grants up to a value of £2,000 for voluntary and community sector groups, charities and public sector bodies wishing to further improve quality of life in South Cambridgeshire.
- **St Albans District Council** have community projects for funding up to £5,000 for projects that benefit the local community and a community revenue fund for up to £10,000 to fund organisations with a track record of delivery of services in the District which are in need of funds to cover general running costs to continue their usual activities.
- **East Hertfordshire** has a community investment fund for Grants of £5,000 to £20,000 for not-for-profit organisations who support residents of North Herts, to enable them to capacity build to enable wider and long-term community benefits.
- **Basildon Borough Council** has grants for community and voluntary organisations of up to £2000 to support community projects.
- **Epping Council** has grants up to £1000 for one off projects to support the council's priority areas.

## Case for change

27. When reviewing grant making and commissioning in other areas it is clear that most local authorities have smaller value grants both in terms of council budget and amount available to local organisations. Our research did show that grant funding is provided for projects or one-off activities rather than core funding. Additionally, projects are asked to demonstrate that they are further embedding the council's corporate plan (or similar priorities.)

28. Within Uttlesford, when viewing the applications made to the Voluntary Sector Support Fund for 2024-2025 and excluding Citizens Advice and Community Transport, most applications were less than £20,000. For those that were greater than this amount, it was felt that there were other more relevant grant funds available at a county level including the Police and Crime Commissioner's annual funding, Public Health Accelerator Grants and grants available through health and social care commissioning for short breaks, mental health support and early help.
29. For Citizens Advice there is a mixture of contribution to funding at a county level and continued funding at a district level. Benchmarking suggested that these services were specified by the local authority and commissioned separately to annual grants. On the whole this is because this service helps the council to deliver several of its statutory duties.
30. When benchmarked against comparable services, it is clear that there is a need for community transport as many of the users are vulnerable and benefit from a subsidised service.
31. Young people remain a key focus of councillors locally (and is a priority in the council's Corporate Plan) and despite this being an Essex County Council statutory duty, the funding offered previously has been of a low value and with high impact as it has been directed by young people.
32. Ward member initiatives are common in most local authority areas aligned to specific wards, they offer members the opportunity to direct small amounts of funding to projects and initiatives that benefit the ward or geographic area they represent. Given the financial backdrop, this could be ceased as a dedicated fund and incorporated into wider grant funds.
33. Peppercorn rent or rental concessions are a common offer from many local authorities and is often part of a legacy arrangement rather than being open to new organisations. Additionally, rent arrangements haven't been reviewed in a number of years and nor have they been offered to other organisations

### **New structure and allocation of funding to match established Member priorities**

34. Three categories proposed align to outcome priority were developed with members:
- a. **Priority outcomes** - Commissioned over a longer period of time (3 years initially, with some flexibility) with outcomes specified by UDC. A process may be through a procurement or through a negotiation (depending on the value and type of service).
  - b. **Lower priority outcomes** - Grant process with outcomes aligned to the Corporate Plan. These grants will be overseen by robust governance

(proposed cross party, to replace the previous £2,000 per individual councillor grants).

- **Non-priority outcomes** – Will not receive UDC funding but UDC will work collaboratively to sign post and influence ECC, NHS and PFCC and other funding agencies.

- **33. Recommendations and proposals**

<u>Priority and funding allocation</u>	<u>Outcomes</u>	<u>What does this mean?</u>
<ul style="list-style-type: none"> <li>▪ Priorities for 3 year funding agreements - £467k</li> </ul>	<ul style="list-style-type: none"> <li>▪ Information, advice and guidance tackling poverty, more effectively mapping and coordinating data and evidence (£140k)</li> <li>▪ Rural isolation (£62k)</li> <li>▪ Healthy, resilient and active communities (inc. mental health, sports and leisure) (£70k)</li> <li>▪ Support for older people and those with learning difficulties (£110k)</li> <li>▪ Youth (£50k)</li> <li>▪ Arts and culture (£35k)</li> </ul>	<p>Services procured for a longer duration through a council-led process.</p> <p>Transparent, negotiated discussions with organisations with negotiated outcomes.</p>
<p>Lower priorities, for one-off single-year funding £83k</p>	<p>Any other contribution towards Corporate Plan Outcomes. Two one-off funding streams – small grants (up to £500) or larger (£500-£3,000), including direct Member submitted or supported proposals</p>	<p>An outcomes-based grant fund with a cross party grants panel and ongoing assurance processes.</p>
<p>Non priority outcomes</p>	<p>We will work collaboratively with other agencies to support organisations to identify other relevant funding streams.</p>	<p>UDC Officers are working alongside officers in the County Council, Police, Fire and Crime Commissioner’s Officer and neighboring District Councils to collaborate and</p>

		jointly commission where possible. We will align our grant funds to maximise opportunities for organisations.
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**Next steps:**

**34. Timeline**

▪ Milestone	▪ Date (week beginning)
Communicate, test and refine proposals with the local voluntary sector	▪ 12 August 2024
Cross party workshop	▪ 12 August 2024
Decision made by Cabinet	▪ 5 <sup>th</sup> September 2024
Launch commissioning process	▪ 23 <sup>rd</sup> September 2024
Close application process	▪ 8 <sup>th</sup> November 2024
Launch new grants process for projects and one off grant funding	▪ 4 <sup>th</sup> November 2024
Award contracts	▪ 2 <sup>nd</sup> December 2024
Commence service mobilisation and any decommissioning or service changes	▪ 6 <sup>th</sup> January 2025
Award grants	3 <sup>rd</sup> February 2025
New service launch	31 <sup>st</sup> March 2025

**a. Developing service specifications and refreshing grant information**

An officer working group has been formed to refine and further develop the relevant service specifications, outcomes measurements and other performance requirements. This working group is cross cutting with representation from legal, finance, welfare benefits, housing and community partnerships.

**b. Developing a comprehensive project plan to oversee the proposed procurement exercises**

This will have clear activities and milestones to ensure mobilisation of any new or revised services are achieved by the beginning of April 2025

**c. Communications**

A clear communications plan will be developed to ensure services in scope have sufficient notice to be able to resource responding to bids.

**35. Risk Analysis**

Risk	Likelihood	Impact	Mitigating actions
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<p>Destabilising the voluntary sector locally by moving to core funding services through a competitive service including a possibility that Uttlesford Citizens Advice and Community Travel aren't awarded the contracts.</p>	<p>▪ Medium</p>	<p>Significant</p>	<p>The required quality standard and knowledge of Uttlesford that would be part of a core specification place both current delivery organisations in a good position to win these contracts. We will conduct market engagement to ensure providers are clear on the components of the specifications and to allow time to properly mobilise services should any changes be required. This will have more positive impact as it will provide stable income for a longer period of time for the delivery organisations.</p>
<p>Cessation of funding for local volunteer services and infrastructure support for the voluntary sector will impact local organisations.</p>	<p>Medium</p>	<p>Significant</p>	<p>A contract will be awarded by Essex County Council for a county wide service. Further changes within Uttlesford will be clearly communicated to the voluntary sector and will have sufficient lead in time to allow organisations to change delivery model, cease services or obtain funding from elsewhere.</p>
<p>UDC require the funds due to challenging fiscal environment and have to reduce</p>	<p>Low</p>	<p>Some</p>	<p>All proposed contracts will have an annual break clause to allow both parties to exit the</p>

<p>services or cease delivery.</p>			<p>arrangements without fault or penalty.</p> <p>There is no statutory requirement for a Corporate Grant and therefore the council can review the funding available annually and make revisions if necessary</p>
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- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.