

Agenda Item No:**Report To:** Cabinet**Date of Meeting:** 30th March 2023**Report Title:** Policy for Funding the Voluntary and Community Sector**Report Author &
Job Title:** Michelle Byrne, Funding and Partnerships Officer
Jennifer Shaw, Strategy and Policy Manager**Portfolio Holder** Cllr. Peter Feacey
Portfolio Holder for: Policy and Performance**Summary:**

The report presents a draft policy for funding the voluntary and community sector (VCS). The purpose of the policy is to provide a consistent and coordinated approach to funding the VCS. It sets out how funding will be awarded to ensure it will contribute to the council's corporate priorities; improve efficiency through better coordination between council services on funding and commissioning with the VCS; and importantly give greater clarity, certainty and stability to the VCS organisations. There is a proposal to bring together a Revenue Funding stream which will include Ward Member grants and Strategic /Service grants (formerly Community/Service grants) in two distinct funding streams.

Key Decision: YES**Significantly
Affected Wards:** ALL**Recommendations:** **The Cabinet is recommended to:-**

- I. Note the draft policy and agree the proposed funding streams
- II. Agree for the Head of Policy and Performance to undertake a consultation on the draft policy with Ward Members and the Voluntary and Community Sector, reporting the outcome back to Cabinet.

Policy Overview: Delivery of the three themes in the Corporate Plan 2022-2024; Green Pioneer, Caring Ashford and Targeted Growth are all supported by work undertaken by the VCS.**Financial
Implications:** The policy aims to ensure that funding is allocated to the VCS in a coordinated and efficient manner and provides more stability for those organisations that are adding value or providing additional services to support the corporate objectives.**Legal Implications:** There are no legal implications associated with this policy.

Equalities Impact Assessment:	An Equalities Impact Assessment will be submitted with the final draft policy following the consultation.
Data Protection Impact Assessment:	Any data gathered through the submission of funding applications will be processed in accordance with the Data Protection Act and GDPR UK.
Risk Assessment (Risk Appetite Statement):	Without a policy for funding the VCS there is a risk of a lack of coordination and understanding of how funding is allocated potentially leading to inefficient use of resources.
Sustainability Implications:	The policy requires projects or services that the VCS are putting forward for funding to support the council's corporate priorities, one of which is Green Pioneer. Supporting projects that contribute towards tackling climate change will contribute to the borough wide carbon neutral target.
Other Material Implications:	None
Exempt from Publication:	NO
Background Papers:	None
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Introduction and Background

1. The voluntary and charity sector makes a significant contribution to the UK economy and employs an estimated 3% of the UK workforce. There are recognised benefits to those who work or volunteer in the voluntary and community sector as well the benefits to the direct recipients of the organisations services.
2. Locally the council recognises and supports the valuable role of the voluntary and community sector (VCS) in helping resident's access activities, services and advice in areas such as health, welfare, sport, recreation, culture and education.
3. Through working closely with VCS across the borough helps deliver and add value to the council's own services, meet the objectives in its corporate plan and support its communities to thrive.
4. The council provides financial and in-kind support to ensure there is a vibrant VCS across the borough that often reaches out to residents who otherwise maybe unaware of or unable to access services or activities.
5. There are a variety of grants made, from significant sums of money that provide ongoing support towards the operational costs of an organisation through to smaller 'one-off' community grants. Grants maybe funded from individual service budgets or the dedicated community grants fund. In 2022/23 the council's main VCS grants streams funded £580,000 from ABC budgets and £57,000 in foregone income (peppercorn rents).

Proposal

6. The purpose of the policy (appendix1) is to provide a consistent and coordinated approach to funding the VCS. To improve efficiency through better coordination between council services on funding and commissioning with the VCS and importantly give greater clarity, certainty and stability to the VCS organisations.
7. The grants streams have been organised into:
 - Revenue Grants
 - Strategic/Service Grants (formerly known as Community Service Grants)
 - Member Grants
 - Community Grants Fund
 - Capital Grants
 - Event Reset Grants
 - Crisis/Emergency Grants and Loans
 - In-kind Grants (Foregone Income)
8. The draft policy sets out
 - who is eligible to apply for grant funding

- eligibility criteria
- funding priorities
- grant conditions
- outline of how to apply for a grant and decision making
- monitoring of grant spend

Equalities Impact Assessment

9. An Equalities Impact Assessment will be submitted together with the final draft policy following the consultation period.

Consultation Planned or Undertaken

10. It is proposed to consult the VCS organisations across the borough and parish and community councils on the draft policy.
11. Comments from Elected Members will be sought.
12. All responses will be considered and reported back to Cabinet with any suggested amendments to the draft policy as an outcome of the consultation.

Next Steps in Process

13. Subject to Cabinet agreement a six week consultation will be undertaken.
14. The consultation questions will be agreed by the Portfolio Holder for Policy and Performance.

Conclusion

15. A policy for funding the voluntary and community sector will provide a robust framework for the allocation of funding to this sector. This will ensure resources are used as efficiently as possible while supporting the vital work the sector undertakes that benefits many residents and communities across the borough.
16. Engaging with the VCS on the draft policy will demonstrate that the council wishes to work with them to provide clarity, stability and accountability in its support for the sector.

Portfolio Holder's Views

17. The VCS is a vitally important body of organisations in the borough and does outstanding work across many areas, supporting vulnerable people and helping communities to thrive.
18. The council's support to this sector enables many VCS organisations to offer activities and services that add value to and complement our own services.
19. As we seek ways to deliver services more efficiently it is crucial that we continue our support to the sector through consistent guidance, clear decision making and accountability.

20. I support the proposal to consult with the VCS and Elected Members on the draft policy that is presented with this report.

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Policy for Funding the Voluntary and Community Sector

Date: March 2023

Review due: March 2026

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1. Background

In 2022 the voluntary sector contributed around £20bn to the UK economy and employed over 950,000 workers, about 3% of the total UK workforce. 16.3 million people volunteered through a group, club or organisation in 2020/21¹.

In Kent there are 3,147 active voluntary organisations with 9004 employees and 11,304 volunteers².

Locally, the Ashford Volunteer Centre (AVC) has 262 voluntary, community and social enterprise (VCSE) groups registered with them. Other organisations, not registered with AVC, include; 40 Parish Councils and 2 Community Councils in the borough, Parent & Teacher Associations at schools and national organisations that work in the borough but are registered elsewhere.

The Value of the Charity Sector (2019)³ states that the charity sector is large and increasingly important and that Charities are particularly well placed to respond to social challenges facing the UK, such as increasing social and income inequality. Charities add value in five areas:

- **Direct recipients** – those people who receive the services of the organisation
- **Employees** – the sense of fulfilment from working in a sector that helps others is of greater importance than salary expectations for some VCS employees
- **Volunteers** - Charitable work can bring substantial benefits to volunteers, mainly in the form of enhanced well-being and health benefits. Volunteering and charitable activities have been shown to increase life satisfaction and levels of happiness. Volunteering also increases skills and employability, especially for marginalised groups of society
- **Donors** - create and derive value directly linked to the services provided but also may derive value from a range of less tangible impacts on themselves including everything from their social standing to tax relief to emotional wellbeing, explaining why people often donate to causes linked to events in their lives, rather than based on any formal analysis of the highest returns for their money
- **Wider public** - The charity sector contributes to fostering economic and social cohesion at the community level and charities make wider contributions through their participation in public and private debates relevant to their services, in providing an alternative point of view from private and public sector organisations and an alternative means by which people can engage with that point of view

2. Introduction

The Council recognises and supports the valuable role of the voluntary and community sector (VCS) in helping resident's access activities, services and advice in areas such as health, welfare, sport, recreation, culture and education.

Working closely with VCS in Ashford helps deliver and add value to the council's own services, meet the objectives in its corporate plan and support its communities to thrive. This was demonstrated by the VCS in its rapid response to the Covid 19 pandemic, and the subsequent cost of living crisis. From food banks and warm spaces, help with shopping and befriending services, mental health and

¹ <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2022/#/>

² Headline analysis of the voluntary & community sector in Kent, KCC, January 2023

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/835686/Value_of_Charity_-_Oct_19_-_published.pdf

wellbeing support to debt and financial advice, the VCS is playing a vital role in keeping Ashford residents healthy and safe.

The council provides financial and in-kind support to ensure there is a vibrant VCS across the borough that often reaches out to residents who otherwise maybe unaware of or unable to access services or activities.

This policy is for Councillors, Officers and the VCS to:

- Guide the allocation of funding, ensuring decisions are consistent, fair and transparent.
- Provide a more coordinated funding service to the VCS.
- Ensure value for money.
- Strengthen the VCS by fostering a sustainable approach to funding.

There are 4 main categories of funding to the VCS:

- Revenue Grants
 - Strategic/Service Grants
 - Member Grants
- Community Grants Fund
 - Capital Grants
 - Event Reset Grants
- Crisis/Emergency Grants and Loans
- In-kind Grants (Foregone Income)

3. Corporate Priorities

The Corporate Plan 2022 – 2024 was developed in consultation with a range of local stakeholders to agree the priorities the council should focus on. A long term ambition and three themes, each with a set of objectives, were the outcome of this work.

The long term ambition for the borough is:

To be a thriving, productive and inclusive borough by 2030 and beyond; a vital part of Kent and the South East where local businesses, social enterprises, communities and the public sector provide collective leadership to promote shared prosperity, happiness and wellbeing.

Applications for grant funding must demonstrate how the activity, project or service will contribute to achieving one or more of the council's corporate objectives as listed below.

Theme	Objectives
Green Pioneer	GP1: Reduce reliance on fossil fuels in line with our carbon neutral targets
	GP2: Increase biodiversity and encourage sustainable lifestyles
	GP3: Reduce the amount of waste produced from homes and business
Caring Ashford	CA1: Homes and neighbourhoods in the borough meet the needs of local people of all ages, incomes and abilities to live sustainably and safely
	CA2: Local people have access to life-long learning to ensure they have knowledge and skills to take up local employment
	CA3: Reduce health inequalities and improve the wellbeing of local people
	CA4: Communities celebrate their heritage and the diversity of their population to build a more connected community and strengthen social Responsibility

Targeted Growth	TG1: Increase productivity and job opportunities and the establishment of sustainable, knowledge based and creative industries in the borough
	TG2: Enable the improvement of digital infrastructure to support the growing needs of business, voluntary sector and residents
	TG3: Strengthen local supply chains and increase the resilience of the local economy
	TG4: Support growth in the visitor economy
	TG5: Stimulate vibrant, accessible and sustainable Town Centres for residents, visitors and business

4. Types of Grant

The table below sets out the type of grants and the amount of funding available.

Revenue Grants		Community Grants Fund		Crisis/Emergency Grants and Loans	In- Kind Grants (forgone income)
Strategic / Service Grants	Member Grants	Capital Grants*	Event Reset Grants		
For operational (running) and maintenance costs or delivery of a specific service. Up to 3 years agreement.	Each Ward Member has an allocation of funding (agreed annually) to award to local organisations / projects within their own ward that benefits residents in that ward. Minimum grant £100.	One-off grant for capital projects up to £10,000. Value of grant must not exceed 50% of total project costs E.g. Equipment, furniture purchase, building refurbishment, improving open space.	Revenue funding to help deliver community events and festivals. Up to £1,000.	Short term (up to 1 year) to fill funding gap not covered by organisations reserves or other funding sources. Up to £10,000. In exceptional circumstances a loan maybe considered up to £25,000	Whereby the council provides premises for the operation of an organisation at either a low or no rent or allows occasional use of a premises free of charge e.g. meeting rooms

*Applicants can only apply for a capital grant once every three years unless there are exceptional circumstances.

5. Who can make an application

The following organisations are eligible to submit an application for funding:

- Not-for-profit organisations with a formal charitable status.
- An unincorporated organisation with a constitution and a formally appointed voluntary management committee.
- A parish council or community council (on condition that the funding is for something that provides additionality).
- A faith based organisation where the project is open to the wider community and does not have any religious bias.

6. Exclusions

The following are not eligible to submit applications for funding:

- Individuals
- Sole Traders
- Organisations that are aimed at generating profits primarily for private distribution
- Organisations that can pay profits to directors or shareholders
- Community Interest Companies (CICs) limited by shares
- Mainstream public services e.g. health, education
- Churches/faith groups to fund their core purposes e.g. religious instruction
- Political Parties

7. Eligibility criteria

The council will only fund projects or services where there is a clear financial need due to lack of available funds and will not fund projects or services that have already been delivered or work that has already been carried out.

Organisations applying for funding must fulfil all the criteria below.

- Operate in Ashford borough and serve the borough's residents
- Are non-political
- Have a bank or building society account in the organisation's name (requiring two unrelated signatories)
- Have relevant insurances in place e.g. public liability insurance, buildings insurance
- Have relevant safeguards and policies in place i.e. risk assessments, health and safety policy, safeguarding policy
- Have effective management/governance arrangements in place
- Promote equalities within their structure and operations
- Have support for their project from an Ashford Borough Council Ward Councillor or the Portfolio Holder
- Are providing a service(s), project(s) or facilities that are open to any resident in the borough (or have a clear, non-financial justification for targeting or prioritising a client group)
- Do not have more than 12 months' worth of expenditure in unrestricted reserves or savings
- Have no overdue debts owed to the council

8. Funding priorities

All applications for funding must contribute towards achieving the council's corporate priorities by meeting at least one of the following funding priorities in both section A and section B.

Section A

- a. Reduces greenhouse gas emissions and/or increases biodiversity
- b. Encourages more active and healthier people and communities
- c. Delivers improved facilities for the local community
- d. Creates opportunities to learn about or participate in local arts, heritage and culture
- e. Provides advice/mentoring for vulnerable people
- f. Creates opportunities for multicultural and/or intergenerational activities

Section B

- a. Increases knowledge and skills
- b. Reduces loneliness and isolation
- c. Improves community engagement
- d. Increases understanding of other cultures and faiths
- e. Increases personal wellbeing, independence and resilience
- f. Demonstrates value for money

9. Grant conditions

Any funding award is made in agreement to the following conditions:

Where required the applicant will enter into a Service Level Agreement (SLA) with the council. The SLA will be appropriate for the level of funding awarded and the complexity of the project /service funded.

Funding can only be spent on the project/service as described in the application and for no other purpose.

If expenditure on the grant-aided aspect of the project/ service is less than stated in your application, the grant amount paid to you may be reduced.

Any unspent funds must be returned to the council.

Not for profit / charitable organisations to register with the Ashford Local Lottery

Details of how the funding was spent, evidenced with copies of receipts must be received by the council within 1 year of the firm offer of funding.

Applicants will, when requested, report to a relevant committee / panel either in person or by writing regarding how the funding was spent and the outcomes achieved.

Any publicity materials, advertisements, press releases and programmes relating to the project/event/service for which the funding has been awarded will credit Ashford Borough Council through use of the council logo and the words “supported by Ashford Borough Council”.

The funding received will be acknowledged in the applicant’s annual report and accounts which cover the funding period.

The council reserves the right to use details of the project/service that received funding in its own publicity.

Any changes to use / retention of equipment or assets must be agreed with the council. No equipment or other assets purchased with the funding can be sold without the council’s prior written permission.

Any details later proved to be incorrect may prejudice a subsequent application and could result in a requirement to repay any funding awarded.

10. Application process and decision making

All applications for funding to be submitted on the correct form.

10.1 Revenue Grants

Strategic/Service Grants

Applications for funding must be received by end of July prior to the next financial year to enable funding requests to be accommodated in budget setting timeframes.

Applications will be assessed by the relevant Assistant Director.

Funding awards will be decided as follows:

Applications for funding of up to £25,000 for 1 year by the Assistant Director

Applications for funding between, £25,000 and £50,000 or for more than 1 year by Director

Applications above £50,000 by the Senior Management Team

Applicants will be notified that their application is complete and is being considered within 4 weeks of date of submission. If any further documentation is required, the 4 weeks will commence from the date the additional documentation is received.

Applicants will be informed of the funding decision within 6 weeks of receiving the notification of receipt of their application.

In exceptional circumstances funding may need to be approved by the Cabinet. In this instance the applicant will be informed of the date the report will be presented to Cabinet.

Member Grants

Enquiries can be made directly to the Ward Member on an ongoing basis throughout the year. The Ward Member will provide an application form and on completion sign off the form and pass to the Funding and Partnerships Officer to process.

The grant will normally be paid within 15 working days of receipt of a fully and properly completed application form.

It is at the discretion of the Ward Member which local projects and services to fund as long as it is legal, does not conflict with council policy/priorities and directly benefits residents in the Councillor's own ward.

National Charities cannot be funded.

Organisations that have already receive a grant in the same year from an alternative council fund (excluding crisis/emergency grants) for a service or project may not apply for a ward member grant for the same service or project.

In election years, the fund account will be closed at the end of February. No allocations will be permitted between 1 March and the election date, presuming it takes place before the end of May. In all other years, the cut off will be 31 March.

10.2 Community Grants Fund

Capital Grants Fund

The completed application form to be submitted online by one of the deadlines, published on the internet.

Fully completed applications will be considered by the Community Grants Panel. Applicants will be required to attend the panel.

Applicants will be notified of the decision of the panel within 2 days of the panel meeting.

Event Reset Grants

The completed application can be submitted at any time throughout the year.

An in principle decision will be notified to the applicant within 4 weeks of receiving a completed application.

The application will be passed to the Safety Advisory Group for consideration. On agreement of the Safety Advisory Group confirmation of funding will be made.

10.3 Crisis / Emergency Grants and Loans

Applications will be acknowledged within 2 weeks of receipt.

The applicant will be notified of the decision within 6 weeks of the council receiving the application.

All decisions for crisis / emergency funding will be made by a Director and the Chief Executive.

10.4 In-Kind Funding (foregone income)

For use of council owned property, at a reduce rent, the applicant must gain the written agreement of the Assistant Director of Environment, Property & Recreation who, in consultation with the Director of Place, Space and Leisure and the Director of Customer, Technology and Finance, will agree the terms under which the property can be let.

For occasional use of meeting rooms at reduced or no cost, applicants must gain the agreement of the Property Building Services Manager.

11. Monitoring and Review

All grant funding provided under this policy should be reported to the Funding & Partnerships Officer so a central record can be maintained and reported on.

Applicants will be required to provide updates of their project or service as set out in the conditions of the grant offer. This includes confirmation that any equipment or assets purchased remain in their ownership and used for the purpose the grant was awarded.

The Overview and Scrutiny Committee will receive an annual report on funding to the Voluntary and Community Sector in July each year. Any issues will be highlighted in the report for consideration and any recommendations for change to be made to Cabinet.

This policy will be reviewed every 3 years.

12. Complaints

Any complaints regarding an application for funding should be made by following the council's complaints procedure.

<https://www.ashford.gov.uk/contact-us/complaints>

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