

Item

PROCESS FOR FUNDING WORK ON ANTI-POVERTY OUTCOMES



To:

Councillor Richard Johnson, Executive Councillor for Communities
Community and Environment Scrutiny Committee [28/06/2018]

Report by:

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Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Not a Key Decision

1. Executive Summary

- 1.1 A dedicated Sharing Prosperity Fund (SPF) was created in 2014 to support pilot projects which contribute to the objectives of the Anti-Poverty Strategy (APS). The current SPF process has provided a mechanism to enable the Council to allocate significant resources to anti-poverty initiatives over the past four years.
- 1.2 This report proposes changes to the process for allocating funding to anti-poverty projects. The changes aim to ensure that: projects continue to deliver value for money; the process is transparent and accountable; and there is clarity for officers and voluntary and community sector organisations regarding opportunities to bid for funding.

- 1.3 The Council currently awards almost £2 million annually in grants to voluntary and community sector organisations through 9 different grant funds, including the SPF. It is proposed that over the next 12 months officers will conduct a wider review of grants processes. This will explore the potential for a single corporate grants 'gateway' for all grant funds and the potential for multi-year funding agreements for some VCS organisations to help support the future sustainability of the sector.

2. Recommendations

- 2.1 The Executive Councillor is recommended to:

1. Approve the proposed changes to the process for allocating funding to anti-poverty projects set out at 4.1 to 4.3 in this report.
2. Ask officers to conduct a wider review of Council grants processes, with a particular focus on the proposals set out at 5.3 in this report, and report back to this Scrutiny Committee with recommendations in due course.

3. Background – Sharing Prosperity Fund

- 3.1 *Page: 2*

A dedicated Sharing Prosperity Fund (SPF) was created in 2014 to support pilot projects which contribute to the objectives of the Anti-Poverty Strategy (APS). Money has been allocated to the Sharing Prosperity Fund as ear-marked reserves on an annual basis through the Budget Setting Report (BSR) in February 2015, 2016, 2017 and 2018, and through the Medium Term Financial Strategy (MTFS) in October 2016 and 2017. To date a total of £1,634,760 has been allocated to the SPF.

- 3.2 The current process for approving funding of projects was agreed at full Council on 25 February 2015. In accordance with the Council's delegation and approval processes outlined in the Council's Constitution, approval of allocations from the Sharing Prosperity Fund differs depending on the amount of funding required:

- Projects costing £15,000 or less are approved by the Head of Corporate Strategy, subject to endorsement by the (officer) Anti-Poverty Strategy Project Board.
- Projects costing more than £15,000 are considered by the Anti-Poverty Strategy Project Board and then submitted for approval by the Executive Councillor for Communities.
- Projects costing over £75,000 are reviewed at Strategy and Resources Committee, subject to the need to make urgent decisions.

3.3 Money can be allocated from the fund to projects at any point in the year. Where circumstances have required this, some projects have been approved in isolation. However, in practice the majority of projects have been approved as part of funding two funding ‘rounds’ each year. Funding rounds have followed the process shown in the diagram at Appendix A.

3.4 The Council invests a significant amount annually in mainstream service activity which supports vulnerable people and residents on low incomes. The current SPF process has provided a mechanism to enable the Council to allocate significant resources to additional, targeted initiatives that contribute to delivery of the Council’s Anti-Poverty Strategy. The SPF has been used to support 28 projects between 2014/15 and 2019/20.

3.5 The Sharing Prosperity Fund has primarily been used to support projects delivered directly by the Council. However, in areas where the Council does not have the capacity or skills to deliver particular projects, officers have commissioned relevant voluntary and community sector groups to deliver projects which meet the Council’s Anti-Poverty objectives, including Cambridge Citizen’s Advice Bureau (CAB), Cambridge Sustainable Food (CSF) and Cambridge Online.

4. Proposed process – Funding for anti-poverty projects

4.1 It is proposed that funding for anti-poverty projects is separated into two elements:

1. a process for allocating funding to City Council-led anti-poverty projects.
2. a grant fund open to applications from all voluntary and community sector (VCS) organisations for projects that would help deliver the Council's anti-poverty objectives.

4.2 For City Council-led projects, it is proposed that:

- Funding is allocated to projects via the Council's existing Budget Process. A proposed process is set out in Appendix B.
- City Council-led projects would be clearly identified in the BSR as 'reducing poverty' projects, which would continue to signal the Council's commitment to addressing poverty in Cambridge.
- 'Reducing poverty' projects funded through the BSR could include both revenue and capital projects.
- A responsive budget would be retained to fund additional anti-poverty projects in response to any immediate needs or emergency issues affecting residents on low incomes in the city that could not wait until the Medium Term Financial Strategy (MTFS) or the BSR. The responsive budget would be used to support projects only if there were no other budget available to support them.
- The value of the responsive budget will be agreed through the BSR, but it is recommended that the value should be around £30,000, as this is the average value of projects funded through the SPF.
- The responsive budget would be available throughout the year. Projects for funding from the responsive budget would be considered by the officer Anti-Poverty Project Board and then submitted for approval by the Executive Councillor for Communities.

4.3 For the VCS grant fund, it is recommended that:

- Funding for anti-poverty projects delivered by VCS organisations would be incorporated into the Council's Community Grants. A proposed process for allocating this funding is set out in Appendix B.

- An additional funding priority of ‘reducing poverty’ would be added to the Community Grants. Voluntary and community sector organisations would be able to apply for funding under the ‘reducing poverty’ priority of the Community Grants. Projects funded under this priority would be identified as such in public reports on the Community Grants, including Scrutiny Committee reports.
- Projects funded under the ‘reducing poverty’ priority of the community grants would primarily be revenue projects. The funding would not support large capital projects, but some limited capital costs could be funded if they contribute to the delivery of the expected outcomes from the project. This approach is consistent with the existing criteria for the Community Grants.
- An additional annual budgetary allocation will be made to the Community Grants. These allocations will not be ring-fenced to the ‘reducing poverty’ priority. This will provide the flexibility needed to allocate funding to the best bids from VCS groups, without being constrained by set budgets for particular priorities. This is consistent with the current approach to the Community Grants, which has an overall focus on ‘reducing social and/or economic inequality’. There are a number of different priorities within the Community Grants, but the funding available is not ring-fenced to particular priorities.

4.4 There is currently no additional budget allocated to the Community Grants in 2019/20. The Outturn report for the Communities Portfolio for Environment and Community Services Committee on 28 June 2018 will include a recommendation that an additional budget of £100,000 is allocated to the Community Grants budget in 2019/20. The consolidated Outturn report going to Strategy and Resources Committee on 2 July 2018 and to Council on 19 July 2018 will include the same recommendation.

4.5 This will enable the Council’s grants team to advertise the Community Grants to the voluntary sector in August with both an additional ‘reducing poverty’ priority and a confirmed additional budgetary contribution. This will help provide clarity for voluntary and community organisations regarding the amount funding available when they submit

applications. It will also ensure that the changes proposed to the Community Grants are compliant with the Council's commitments under the Cambridgeshire Compact.¹

- 4.6 For 2020/21 and subsequent years, the additional budgetary allocation to the Community Grants will be made in the BSR. The amount to be allocated is a budgetary decision to be taken in as part of the budget-setting process in future years.
- 4.7 An annual report would continue to be provided to Environment and Scrutiny Committee on progress in delivering actions in the Council's Anti-Poverty Strategy. This report would set out the total value of 'reducing poverty' projects funded through the BSR and the Community Grants.
- 4.8 The proposed approach outlined at 4.1 to 4.3 above would have the following benefits:
- Visibility – All projects would clearly be identified as 'reducing poverty' projects, which would continue to signal the Council's commitment to addressing poverty in Cambridge.
 - Value for money – The proposed process would ensure that anti-poverty projects are considered by officers and Members alongside other BSR bids from across the Council or other Community Grants applications from VCS organisations. This degree of comparison and competition would help ensure that projects are supported that provide value for money and deliver anti-poverty outcomes.
 - Transparency and accountability – The proposed process will provide greater opportunities for members to scrutinise projects before funding is awarded, which will ensure transparency and accountability in the process.
 - Equity – The proposed process would ensure that all voluntary and community sector organisations would have an equal opportunity to

¹ The Cambridgeshire Compact is a partnership agreement setting out the principles for a productive relationship between statutory bodies and voluntary and community organisations in the County.

apply for funding to deliver anti-poverty projects, as the Community Grants are promoted to all VCS groups in the city.

- Responding to need – The proposed process would enable officers and voluntary and community groups to identify needs in the community and submit funding bids for projects that would address these needs. It is anticipated that opening the funding to all VCS organisations could help generate new ideas for activities that will help deliver the key priorities identified in the Anti-Poverty Strategy, as many VCS organisations work directly with low income residents and have an understanding of their needs.
- More planned approach to developing projects – The proposed process would provide certainty for Council officers and VCS groups about deadlines for bids and applications, which would ensure projects are developed in a planned way and that they have the staff capacity and resources in place to deliver projects.

5. Wider grants review

5.1 The Council currently awards grants to voluntary and community sector organisations from a number of different grant funds. In recent years a number of grant funds have been incorporated into the Community Grants, but, as shown in the table below, there are still 9 separate grant funds awarding up to a total of almost £1.8 million annually in grants.

Grant fund	Service	Budget
Community Grants (main grants)	Community Services	£840,000
Area Committee Community Grants	Community Services	£60,000
Homelessness Prevention Grants	Housing services	£689,466
Sharing Prosperity Fund	Corporate Strategy	£100,000 ²
Crime and Disorder Reduction	Community Services	£39,000

² On average £300k per annum has been allocated from the SPF to projects over the past four years (2014/15-2017/18). The amount allocated from the SPF to projects led by voluntary and community organisations per year is variable, but has averaged £100k per annum

Grants		
Sustainable City Grants	Corporate Strategy	£30,000
Safer City Grants	Community Services	£10,000
Safer City – Area Committee		£10,000
Cycling and Walking Grants	Environmental Services	£11,000
Twinning Grants	Corporate Strategy	£2,600
	Total	£1,792,066

5.2 The processes associated with each grant fund have been developed separately over time, with the result that there are significant variations in the way that the different funds are managed. This includes: varying degrees of publicity; differing approval processes; decisions being made at different points in the year; and varying approaches to monitoring and evaluating of grant-funded projects.

5.3 It is proposed that over the next 12 months officers will conduct a wider review of grants processes. This will include:

- exploring the potential for a single corporate grants ‘gateway’ for all grant funds awarded by the Council to the voluntary and community sector. This would bring greater consistency to the Council’s grant process by ensuring that all grants are advertised at the same time and following the same application, assessment and approval process and timetable.
- considering offering some multi-year (up to 3-year) funding allocations to provide greater certainty for projects which require more than one year to develop and deliver. It could also help increase the sustainability of the sector at a time when organisations are experiencing greater financial pressures.

5.4 The benefits of a single corporate grants ‘gateway’ could include:

- More efficient process – Moving to a single grants gateway could provide a more consistent and proportionate process for allocating grants across the Council’s policy priorities

- Increased clarity for the voluntary sector – Adopting a more consistent approach to publicising grants through a single grants gateway could provide greater clarity for the voluntary sector regarding the range of funding opportunities provided by the Council.
- Increased transparency - A single grants gateway could also increase transparency by providing a consistent level of Member scrutiny for all grants. The varying approval processes currently mean that Members have greater opportunity to scrutinise allocations from some funding streams than others.
- Increased value for money – Moving to a single grants gateway could help ensure value for money by adopting a more consistent approach to monitoring and evaluating the impact and outcomes from grant-funded activities.

5.5 The key stages in this work would be:

- To further clarify the criteria, processes and approvals for each of the major grant funds.
- To carry out a full options appraisal to identify the benefits and risks associated with bringing each of the main grant funds into a single gateway.
- Discussions with lead officers and Executive Councillors regarding the potential to take this forward for each grant stream.
- Implementation - a single 'gateway' could potentially be implemented for grants to be awarded for activity in 2020/21, with applications being submitted by voluntary groups in in summer 2019.

5. Implications

(a) Financial Implications

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The proposed changes outlined at 4.3 above would require an additional budgetary allocation to be made to the Community Grants budget on an annual basis. For grants for 2020/21 onwards, this budgetary allocation could be made through the Budget Setting Report.

For grants in 2019/20, no additional budgetary allocation has yet been made. An allocation would need to be made through the Mid-Term Financial Statement (MTFS) in October 2018. The Community Grants for 2019/20 will be advertised to voluntary and community groups during July and August 2018, so applications will need to be made subject to the availability of funding being confirmed in the MTFS in October.

(b) Staffing Implications

The proposed changes to the process for allocating funding to anti-poverty projects outlined at 4.1 to 4.3 above would not have any staffing implications.

The proposal for a single grants gateway could potentially create limited efficiencies by reducing the number of different services administering separate processes. However, depending on the model adopted, a single gateway may need greater capacity in Community Services to administer a single, larger process. Staffing implications will be considered in more depth as part of the proposed wider grants reviewed.

(c) Equality and Poverty Implications

An Equality Impact Assessment (EqIA) has been produced to assess the impact of the changes proposed in this report. This EqIA is published on the Council's website here: <https://www.cambridge.gov.uk/equality-impact-assessments>

(d) Environmental Implications

There are no environmental implications associated with the changes proposed in this report.

(e) Procurement Implications

The proposed changes outlined in this report would help ensure that the Council's grant processes are consistent with current procurement good practice. Specifically, the Council's procurement and legal services have advised that it would be good practice to publicise all Council grant-funding opportunities to all eligible VCS groups in the city. The proposals set out at

4.1, 4.2, 4.3 and 5.3 would ensure that the all grant funding is publicised to all eligible VCS groups.

(f) Community Safety Implications

There are no community safety implications associated with the changes proposed in this report.

5. Consultation and communication considerations

A workshop was held in March 2018 involving the lead officers for each of the funds listed above to explore commonalities and differences in criteria and allocation processes. Initial discussions have been held with relevant Executive Councillors regarding the proposed wider review of grants.

6. Background papers

No background papers were used in the preparation of this report.

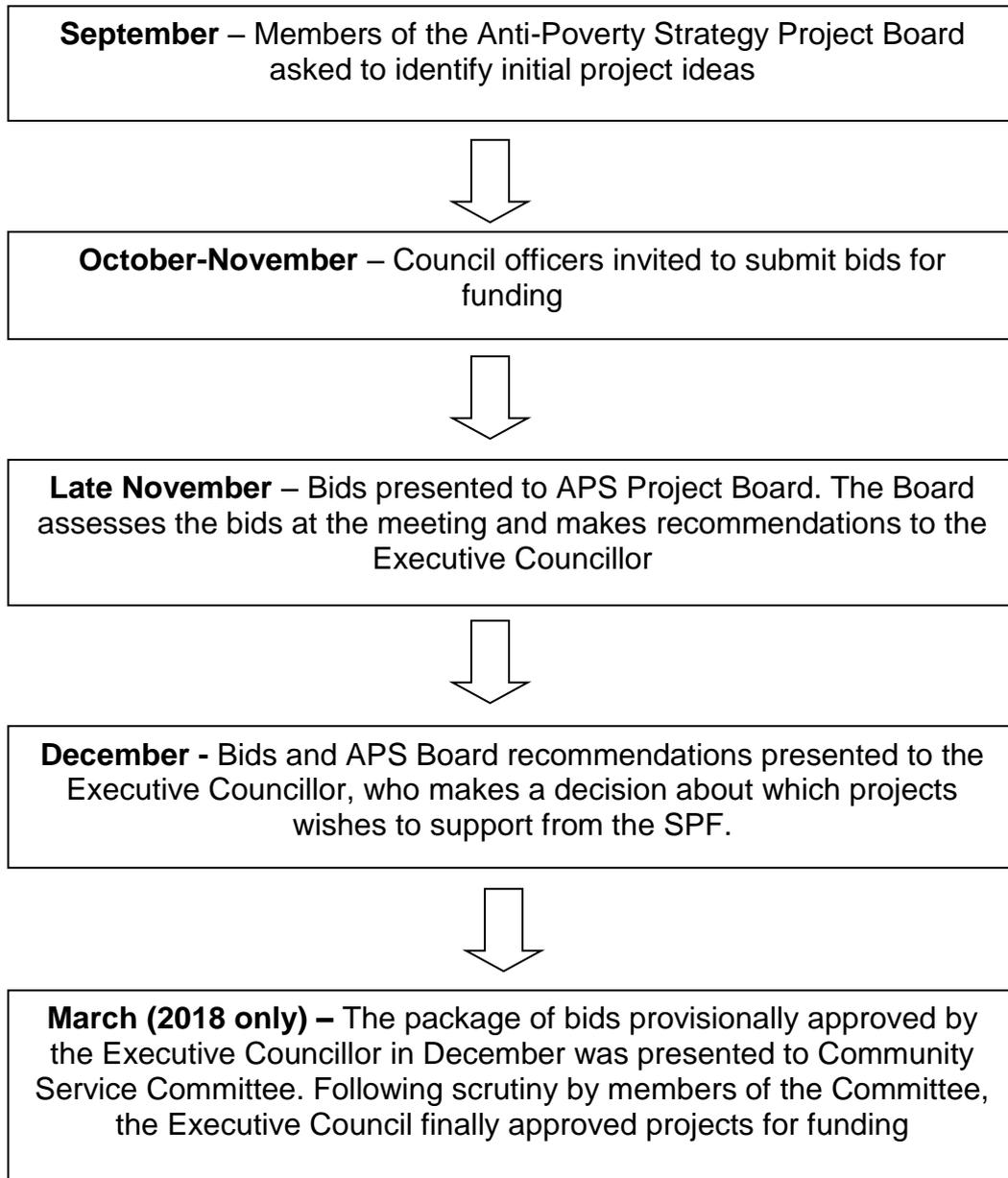
7. Appendices

- a) Current Cambridge City Council SPF process – as at June 2018
- b) Proposed new Cambridge City Council process for ‘reducing poverty’ projects – from July 2018 onwards

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact David Kidston, Strategy and Partnerships Manager, tel: 01223 - 457043, email: david.kidston@cambridge.gov.uk.

Appendix A – Current Cambridge City Council SPF process – as at June 2018



Appendix B – Proposed new Cambridge City Council process for ‘reducing poverty’ projects – from July 2018 onwards

City Council-led projects

June – Executive Councillors and members of the Anti-Poverty Strategy Project Board asked to identify initial project ideas for ‘reducing poverty’



July – September – Lead officers develop proposals for ‘reducing poverty’ projects in consultation with Executive Councillor (s) as required



Early October – Managers submit budget proposals to Finance, identified clearly as ‘reducing poverty projects’



November – Ruling group considers all budget proposals, including those identified as ‘reducing poverty’ projects



January – BSR published, including a number of projects identified as ‘reducing poverty’ projects



February – Council’s budget approved at full Council, including a number of projects identified as ‘reducing poverty’ projects

Voluntary sector-led projects

Late July/early August - Community Grants, including new ‘reducing poverty’ priority, promoted to voluntary sector



August-September – Applications submitted by voluntary sector organisations for Community Grants, including new ‘reducing poverty’ priority



October – Lead officer (David Kidston) assesses applications for ‘reducing poverty’ projects, with input from relevant services as required



November – Briefing with Executive Councillor – opportunity to comment on proposed funding awards



December – Committee report setting out proposed funding awards for Community Grants, including ‘reducing poverty’ priority’ drafted and submitted



January – Report presented to Community Services Committee for scrutiny and proposed funding awards approved by the Executive Councillor