



Community Grants Review

To:

Cllr Rachel Wade, Executive Councillor for Communities

Environment & Community Scrutiny Committee 27/06/24

Report by:

Julie Cornwell, Community Funding and Voluntary Sector Manager

Tel: 01223 457855 Email: julie.cornwell@cambridge.gov.uk

Wards affected:

All

Key decision

1. Executive Summary

- 1.1 The Community Grants scheme priorities are reviewed periodically to ensure they remain relevant and align with the Councils Corporate Plan and wider objectives. Similarly, the grant procedures are reviewed annually as part of a continuous improvement process, taking into account feedback from applicants and the experience of the Grants Team.
- 1.2 In addition to this, a full community grants review was started in 2022 with the introduction of a 'light touch' small grants application process for awards of up to £2,000. There was also agreement to begin the broader work required which would be developed alongside the 'Our Cambridge Transformation Programme'. This included exploring the introduction of longer-term funding arrangements for organisations delivering ongoing essential services and infrastructure support to the voluntary sector; considering the challenges presented by the Area Committee grants process; and the potential to move to a digital grants platform.
- 1.3 The Community Grants Review is not driven by the need to make financial savings, but instead recognises the issues that are facing the voluntary and community sector (VCS)¹. It reflects our understanding of the challenges the sector faces in responding to inequalities and

¹ As set out in the 2023 State of the Sector Survey Report and the Emerging from Covid Report 2022

prolonged financial hardship and how we could better work alongside our VCS partners to deliver positive change for our communities.

- 1.4 Discussions are currently underway within Cambridgeshire about the potential to agree a set of shared principles across all public sector partners which will foster collaboration, working together as equal partners with mutual respect, acknowledging that whilst there may be differences between sectors, we have shared values and principles to improve the health and well-being of our communities. Although these conversations are in the early stages, the community grants review provides an opportunity to embed these principles now.
- 1.5 There are three strands to the proposed new approach to community funding set out in section 4. Running alongside this we are exploring with our statutory partners whether we can align our funding schemes more closely together, both in terms of grant making and grant monitoring. The proposals set out in this report should therefore be seen as part of an iterative process, building on what we know and can change for the better now, acknowledging that there will be further opportunities to shape and improve the funding environment.

2 Recommendations

The Executive Councillor is recommended to approve:

- i. The introduction of a twice-yearly Small Community Grants scheme replacing the previous Small Community Grants scheme and Area Committee Grants scheme, for applications with a value of £5,000 or less.
- ii. The continuation of the annual Main Community Grants scheme, for applications with a value over £5,000.
- iii. The introduction of multi-year funding agreements for specific provision within the City.

3 Background

3.1 **The priorities and outcomes** for the Community Grants fund are currently as follows:

Priorities - All applications must demonstrate how the funding will reduce social and/or economic inequality, by removing barriers for city residents with the highest need, to enable them to access one or more of the funding priorities:

- Sporting activities
- Arts and cultural activities
- Community development activities
- Reducing poverty activities
- Legal and/or financial advice
- Employment support or
- Capacity building of the voluntary sector to achieve the above

Primary Outcome - Reduce social and/or economic inequality for city residents with the highest need

Strategic Outcomes - As well as the primary outcome, activities must achieve one or more of the following strategic outcomes:

- Improved health and wellbeing
- Communities come together and bring about change
- More people have better opportunities to gain employment
- Stronger voluntary sector in the city

3.2 **Budget** – there is a budget of £1,126,820 available for Community Grants for 2024/25. The budget has been subject to an inflationary uplift since 2023/24 and if this approach continues, the budget for 2025/26 is anticipated to be around £1,200,000.

3.3 £70,000 of the Community Grants budget has previously been allocated to Area Committee Community Grants each year including for 2024/25.

3.4 **Grants Gateway** - The Community Grants are administered via the Councils 'Grants Gateway' which was created in 2019 to achieve greater transparency, consistency and accountability of grants to voluntary and community sector organisations for the following major grant funds:

- Community Grants

- Area Committee Community Grants
- Homelessness Prevention Grants
- Sustainable City Grants

3.5 These funds are managed by one team using the same process and timescale. The awards are considered across the funds at the same time to ensure a consistent and accountable process by experienced officers from the different service areas. The funds remain within their appropriate portfolios for decision making and to ensure alignment to each fund's strategic priorities. There are no plans to review the Homelessness Prevention or Sustainable City grant criteria as part of this phase of the grant funding review, although the Grants team will implement any process improvements identified as a matter of course.

3.6 **Community Grants Review – Phase 1** - Phase 1 of the Community Grants Review saw the introduction of a 'Small Grants' scheme for applications with a value of £2,000 and under. A key driver for change was that some groups had felt our main Community Grant application form and supporting document requirements were disproportionate for a small grant or small organisation. It was also hoped that simplifying the process would increase officer capacity to the extent that a wider funding window could be introduced.

4 Community Funding Programme from 2025/26

4.1 As with the current iteration of the council Community Grants Fund, the new community funding programme will continue to be open to voluntary and community groups that help the council achieve its vision of creating 'One Cambridge – Fair for all'. It complements the council's Corporate Plan, focusing on tackling poverty and inequality and helping people in the greatest need. If there are any changes to the council's vision, the primary outcome will be reviewed for the 2025/26 funding round to take this into account.

4.2 The Strategic outcomes for the entire Community Funding Programme will remain the same: activities must achieve one or more of the following strategic outcomes:

- Improved health and wellbeing
- Communities come together and bring about change
- More people have better opportunities to gain employment
- Stronger voluntary sector in the city

- 4.3 Historically the Community Grants Fund has been heavily oversubscribed, and we anticipate this to continue, as the funding landscape for the voluntary and community sector remains challenging. Therefore, applicant groups would only be permitted to apply for funding from one strand, and applications from 'partnerships' of groups wishing to deliver services together will be welcomed and positively weighted accordingly.
- 4.4 The Community Funding programme will consist of three different strands to better reflect the needs of the voluntary and community sector to help us achieve our shared vision of tackling poverty and inequality. Appendix 1 illustrates that for 2025/26, some strands will have a narrower set of priorities but that overall the community funding priorities will remain as they are now.

5 Strand 1: Small Community Grants scheme

- 5.1 The Small Community Grants scheme will replace the current Small Grants and the Area Committee Grants.
- 5.2 For 2025/26 the priorities will remain as they were for the Area Committee Grants (as set out at 3.1 above and illustrated in Appendix 1).
- 5.3 There will be two funding rounds a year, to encourage smaller and newer groups who are less able to plan so far in advance to apply for funding when it better suits them. One funding round will open at the end of November 2024 and one will open towards the end of April 2025, as set out in Appendix 2.
- 5.4 It is proposed that a total of £100,000 is allocated to the Small Community Grants scheme from the overall community grants budget.
- 5.5 Applications will be welcomed from communities of place, interest or identity. Therefore groups previously applying for a small grant or area committee grant will remain eligible for funding. The new Small Grants scheme will not specify what the communities of 'place' should look like: how people identify with their local area differs and the scheme will be flexible enough to allow groups to explain this themselves as part of their application. There will be no funding split across geographical areas as this has previously not sufficiently aligned to where the greatest need is (as set out in Appendix 3). As is current practice, an

objective assessment criterion will ensure that the group and activity was eligible; that funding was targeted at residents in greatest need; and where the impact would be highest.

- 5.6 Applications will be made using an e-form, kept as simple as possible, recognising that the level of information required should be proportionate to the level of funding requested, whilst also ensuring enough information is provided to make a sound decision.
- 5.7 As with the current approach to Small Community Grants and the Area Committee Grants, there would be officer delegation for decision making of awards £5,000 and under, but support from the Executive Councillor for Communities would be sought prior to sharing the outcome with applicant groups. All ward councillors will be provided with a summary of the applications and award value.
- 5.8 The extensive local knowledge that ward councillors have will be key to helping the new scheme to be a success. Ward councillors will be asked to support the scheme by promoting the priorities and new process, and encouraging groups to contact the Grants team with any queries. Feedback via councillors on the experience of groups applying for funding is encouraged and will be considered as part of the process of continuous improvement. Joint councillor and officer visits to funded groups would be welcomed to gain a shared understanding of the impact of the grant funding.

5.9 Strand 2: Main Community Grants scheme

- 5.10 For 2025/26, the priorities and outcomes for the Main Community grants fund will be:
- Sporting activities
 - Arts and cultural activities
 - Community development activities
 - Reducing poverty activities
 - Employment support
- 5.11 As with the scheme previously, there will be one funding round. This will open in August, closing approximately seven weeks later.
- 5.12 Groups wishing to apply for Discretionary Rate Relief (DRR) for 2025/26, will also be required to apply during this funding window as is

current practice. Approximately £30,000 - £40,000 of the Main Community Grants budget is set aside to fund successful DRR applications².

- 5.13 Groups offering 'Infrastructure support' and 'independent advice' that corresponds to core council delivery would be offered multi-year funding agreement as set out in Strand 3 below.
- 5.14 The exact value of the Main Community Grants scheme for 2025/26 would be established once the value of the multi-year funding agreements had been agreed, but it is expected to be in the region of £500,000.
- 5.15 We would anticipate no adverse impact on the availability of funding for groups applying to the Main Community Grants fund, as groups previously applying for a Main Community Grant to deliver activities providing either 'Infrastructure support' or 'legal and financial advice' would not be eligible to apply to the Main Community Grants fund. This would therefore ensure the same level of funding is available to groups seeking to deliver activities around the remaining five priority areas.
- 5.16 Beyond 2025-26 the budget for the annual Main Community Grants Fund would shrink as more groups were brought into multi-year funding arrangements, which would need to be resourced accordingly. However, it is important to have some annual funding available for groups wishing to test and learn from new ideas, and for groups that may be new to us or do not require multi-year funding. This phasing may require consultation with the VCSE to identify the best balance between the strands.

5.17 Strand 3: Multi-Year Funding Agreements

- 5.18 It is proposed that multi-year funding agreements are introduced from 2025/26. A staggered approach would be taken to:

² The exact cost of Discretionary Rate Relief is not known at the point of assessment. There are three primary factors which can affect the level of funding required from the Community Grants budget. These are: i) what the Government multiplier will be, which increases the overall charge to individual groups ii) whether the current level of retail relief will remain the same (currently 75%); iii) whether some accounts receive Transitional Relief (a scheme which softens the impact of NDR increases when there is a revaluation, business are protected from the full increase but that protection tapers off in future years until they pay full rates).

- i) allow for lessons learnt from the early adopters to be incorporated into the approach for future multi-year funding agreements
- ii) build in time for consultation as the Main Community Grant scheme budget reduces to allow the multi-year funding budget to expand
- iii) recognise limited capacity within the Grants team to introduce new arrangements and manage a more demanding monitoring regime.

5.19 We would look to provide *core funding*³ to those groups whose charitable objects closely align with our grant scheme priorities and offer service support to city residents. We would develop a set of agreed outcomes together, taking a co-production approach as far as possible.

5.20 Proposed early adopters of multi-year funding in 2025/6 would be groups providing:

- Independent advice and advocacy (including welfare, housing, debt advice)
- Infrastructure support to the voluntary and community sector

5.21 The Council will use the most appropriate agreement to set out the expectations on both parties, recognising grants are usually the most straightforward mechanism. However, there may be instances when different approaches, such as commissioning will be taken. Any procurement exercise will follow current regulations whilst recognising the councils desire to spend its resources locally, building up community wealth.

5.22 This work will be considered alongside other public sector partners with an ambition to align approaches and reduce duplication and VCSE burden.

5.23 The value of the longer-term funding agreements for 2025/6 is anticipated to be approximately £500,000, increasing in future years as more groups are phased onto multi-year funding agreements.

³ Core funding means funding that the organisation can use the funding to best meet the organisations charitable aims. There would still be an expectation that the award was shown separately in the organisation accounts and that the agreed outcomes must be met.

6 Community Funding Priorities

- 6.1 The next phase of work will require a review of the community funding priorities to ensure they continue to reflect the councils broader priorities. The councils community funding programme will also need to support the aspirations and approach of the Community Wealth Building Strategy. Our aspirations are to:
- 6.1.1 Identify other grants and funding across the council and partners that can be distributed and/or aligned in this way
 - 6.1.2 Continue with our 'partnership by default' work and continually assess where VCSE partners can play a stronger role in delivering impact in our communities.
- 6.2 There will be a renewed focus on the funded activities being able to demonstrate impact, allowing more flexibility for groups to choose how they deliver the impacts we require.
- 6.3 Any proposed changes to the community funding priorities will form part of a consultation exercise with the VCSE, other local funders (to ensure funding streams are complimentary where possible), council officers and elected members. The timings for this are set out in the gantt chart at Appendix 4.
- 6.4 The results of the consultation will be presented to Environment and Community Scrutiny Committee together with a recommendation as to any changes to community funding priorities that would be introduced for the 2026/27 funding year.

7 Implications

- a) **Financial Implications** - the proposals set out at 5 above will not see a cut to the community funding budget. In fact, the multi-year funding agreements would be linked to inflation thereby requiring a commitment from the Council to continue to link the overall community grants budget to inflation. This would therefore result in an overall increase in funding available.

Moving to multi-year funding agreements will have financial implications as the Council will be committing a significant level funding beyond the annual budget setting process. Whilst Directors have authority within the Councils financial regulations to create commitments in future

years, it will be important to be mindful of this when agreeing the Councils budget.

- b) **Staffing Implications** - There are no staffing implications associated with this report.
- c) **Equality and Poverty Implications** - An Equality Impact Assessment is attached at Appendix 5 which highlights potential implications.

In summary, organisations who receive funding over £5,000 will be required to have (or be developing) a policy in place which demonstrates the group is aware of its obligations around equality and diversity.

The 'small community grants' guidelines will contain a statement reminding applicants of their duties around equality and diversity. Although not a requirement, applicant groups will be invited to submit any relevant policies should they have them. The contact details of Cambridge Council for Voluntary Service (CCVS) will be included to signpost any organisation seeking support to develop an equal opportunities policy or to improve their equalities and diversity practices generally.

d) **Net Zero Carbon, Climate Change and Environmental Implications**

Implementing the recommendations in this report are expected to result in a zero climate change rating.

Groups applying for funding from the Main Community grants fund will be required to have or be developing an environmental policy.

The 'small community grants' guidelines will contain a statement encouraging applicant groups to consider the environmental impact of their proposed activity. The contact details of Cambridge Council for Voluntary Service (CCVS) will be included to signpost any organisation seeking support to develop practices to reduce their carbon footprint.

A new question will be added to community grant application forms requiring groups to set out what specific actions and mitigations they will take to reduce the carbon footprint of the proposed activity.

- e) **Procurement Implications** - The councils current approach to grant aid through the Community Grants is solely via an application process rather than through the direct commissioning of services. The council may choose to commission some services if it is felt that is the most appropriate way to provide multi-year funding, and if so, the councils future approach will be blended to best meet the needs of the council and the Voluntary and Community Sector.
- f) **Community Safety Implications** Some of the funded projects are likely to have a positive impact on community safety.

8 Consultation and communication considerations

- 8.1 A publicity programme will be agreed with the Communications team to ensure all previous and potential applicants are aware of the changes. This will include social media posts, physical posters, email communications and webinars. We will also utilise the newsletters of our partner organisations where the timings align.
- 8.2 The Grants team will offer virtual and in-person support to groups requiring help with completing their applications. For the 2025/26 funding round, both Cambridge Council for Voluntary Service (CCVS) and Cambridge Ethnic Community Forum are going to be present at in person drop-in sessions offered during the application windows to provide the best package of support possible.
- 8.3 The City Council also funds CCVS to provide a year-round package of 'on-demand', online and in person training on a variety of subjects which support the development of community groups and to help them become 'application ready'.

9 Background papers

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

10 Appendices

Appendix 1 - Community funding priorities and grant schemes

Appendix 2 – Grant round timings

Appendix 3 – Allocation of Area Committee Grant Funding

Appendix 4 - Timeline illustrating the proposed changes to the 2025/26 grants round and review of priorities and outcomes for 2026/27

Appendix 5 - Equality Impact Assessment

11 Inspection of papers

To inspect the background papers or if you have a query on the report please contact Julie Cornwell, Community Funding and Voluntary Sector Manager, Tel: 01223 457855, email: julie.cornwell@cambridge.gov.uk