

REPORT TITLE: Community Grants 2026-27 & the Evolution of the Programme

To:

Cllr Anna Smith, Cabinet Member for Communities

Cabinet 13 January 2026

Report by:

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Wards affected:

All

Director Approval: Director Sam Scharf confirms that the report author has sought the advice of all appropriate colleagues and given due regard to that advice; that the equalities impacts and other implications of the recommended decisions have been assessed and accurately presented in the report; and that they are content for the report to be put to the Cabinet/Cabinet Member for decision.

1.	Recommendations
1.1	<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Approve the Community Grants to voluntary and community organisations for 2026-27, as set out in Appendix 1 of this report, subject to the budget approval in February 2026 and any further satisfactory information required of applicant organisations. 2. Approve the expanded direction of travel for the Community Grants Programme, using a 3-Tier approach starting 1 April 2027 as set out at 4.6 and at Appendix 2. 3. Approve an additional multi-year grant for Food Poverty Infrastructure starting 1 April 2026, as set out at 4.5 of the report.

	Purpose and reason for the report
2.1	<p><u>Community Grants 2026-27</u></p> <p>Grant funding decisions where the award is over £5,000 must be made by Cabinet. Therefore in order to award and process the community grant funding for 2026-27 by 1 April 2026, the Community Investment team need Cabinet approval of the recommendations at Appendix 1 in January 2026.</p> <p><u>Moving to a 3 Tier Community Grants programme from 2027</u></p> <p>In recognition of the benefits of multi-year funding and that Cambridge City Council is a signatory to the Cambridgeshire Compact¹, in June 2024 Environment and Community Scrutiny Committee agreed that it would pilot the introduction of multi-year grants for 2025-28² for:</p> <ul style="list-style-type: none"> • <u>VCSE infrastructure</u>: Cambridge CVS and Cambridge Ethnic Community Forum • <u>Advice & advocacy</u>: Cambridge Citizens Advice, delivering aligned legal, housing, and welfare rights support & Cambridge Ethnic Community Forum for CHESS (Cambs Human Rights and Equality Support Service). <p>The 2024 report also set out the intention to phase more groups into multi-year funding agreements and this report sets out the proposed model for how this will work.</p> <p>Moving to the proposed 3 Tier model which will see an increased commitment to multi-year funding and core funding, requires Cabinet approval as this model will require long term budget commitments beyond the Council's annual budget cycle. Similarly, the proposal to introduce a further multi-year grant³ for 2026-29 to support Food Poverty</p>

¹ The Cambridgeshire Compact is a partnership agreement between statutory bodies and the voluntary and community sector, designed to improve relationships and establish shared principles for collaboration, funding, and service delivery. It promotes mutual understanding, fair processes, and coordinated efforts to better serve local communities across Cambridgeshire.

² [Agenda for Environment and Community Scrutiny Committee on Thursday, 27th June, 2024, 6.00 pm - Cambridge Council](#)

³ Cambridge and District Citizens Advice Bureau (CCAB), Cambridge Council for Voluntary Services (CCVS)/Support Cambridgeshire and Cambridge Ethnic Community Forum (CECF) have multi-year grants for 2025-28.

	<p>Infrastructure is a budget commitment beyond the Councils annual budget cycle.</p> <p>A further motivator for evolving the Community Grants model is the Cambridgeshire Poverty Strategy Commission Report which has called for longer term funding to strengthen VCSE capacity and partnership working, which the Council is committed to responding to.</p> <p>Multi-year grants are already in use by many local authorities including South Cambs District Council and Cambridgeshire County Council. A mix of project and core funding is offered by both authorities, and our evolution would be a step towards aligning grant funding principles with some of our likely LGR partners.</p>
3.	Alternative options considered
3.1	<p>The recommended 3 Tier model builds on the committee report taken to Environment and Community Scrutiny Committee in June 2024, where Members agreed (and the Exec Cllr for Communities subsequently approved) that the Council would introduce multi-year funding agreements to improve the stability of the voluntary, community and social enterprise sector (VCSE), whilst maintaining a funding scheme for smaller grant applications that was responsive to emerging needs, welcoming innovation and supporting developing community groups. Therefore, the considerations are not about <i>whether</i> the Council introduces multi-year funding, but rather <i>how</i> this can be delivered within budget in a way that meets the needs of the VCSE.</p>
3.2	<p>The recommended 3 Tier approach goes further than the introduction of multi-year funding for specific activities: it recognises the value of the key local voluntary and community groups delivering services that closely align to City Council priorities and would see those groups being awarded unrestricted funding to spend as needed to deliver against those priorities. Unrestricted funding has been identified as key for increasing the stability of the sector and making the move to primarily multi-year funding – some of which is unrestricted funding where appropriate - is an opportunity to demonstrate our trust in and commitment to the sector.</p> <p>Appendix 2 sets out the proposed criteria for the programme.</p>

4.	Background and key issues
4.1	<p data-bbox="229 309 628 342"><u>Community Grants 2026-27</u></p> <p data-bbox="229 365 1481 947">The 2026-27 Community Grants scheme opened for applications on 1 August 2025 and closed on 17 September 2025. Promotion and publicity of the grant fund included a press release, social media posts, newsletter articles, emails, posters in areas of the City with the highest levels of deprivation and targeted conversations. We received 37 applications for funding for 2026-27 with a value of £5,000 or over. The total amount requested was £1,014,519.92 against an available budget of £530,840. This illustrates that the demand for Community Grant funding remains very high, and not all applications can be successful or funded at the level requested. Funding is frequently awarded at a proportion of the amount requested, sometimes due to limited funds or the need to support multiple projects. While partial funding enables more groups to benefit, it can also result in financial shortfalls that are challenging for organisations to absorb.</p> <p data-bbox="229 1014 1398 1160">It should be noted that we are already committed to the funding for the initial three groups (that will be entering year 2 of their multi-year grants) to a total value of approximately £510,000 for 2026-27 which has been budgeted for separately.</p> <p data-bbox="229 1227 1449 1373">A range of activities were undertaken to support organisations to understand the funding criteria and requirements needed for a successful application, and how to use the new grants portal including:</p> <ul data-bbox="229 1440 1469 1821" style="list-style-type: none"> • in person 1:1 group advice sessions held jointly with CCVS and Cambridge Ethnic Community Forum • attending organisation's committee meetings, one-to-one meetings • a webinar held jointly with CCVS • application Guide and Help Notes detailing the priorities, outcomes and eligibility criteria and giving guidance on requirements, question by question • funding templates and signposting to other funding providers <p data-bbox="229 1888 1449 1975">The new digital grants portal was implemented ready for the launch of the Community Grants scheme (and the Resettlement Community Grant Fund, the Homelessness</p>

	<p>Prevention and Sustainable City Grant schemes). The portal is proving easy to use by officers and applicants alike. We requested feedback from applicants and grant assessors and have been able to make improvements for future schemes already and have more improvements in train as soon as the platform provider is able to implement them.</p> <p>All applications were assessed by 'subject matter experts' within the Council alongside Community Investment officers, against an assessment matrix developed around the scheme priorities and outcomes, ensuring a consistent approach. These assessments were then moderated in assessment meetings, all of which informed the award recommendations detailed in Appendix 1. The Cabinet Lead for Communities attended a further meeting with officers to review the recommendations.</p> <p>Those applicants where no award is recommended will receive feedback and signposting to alternative funding and support.</p>
4.2	<p><u>Discretionary Rate Relief</u></p> <p>As of 2026-27 Discretionary Rate Relief applications will be considered by the Business Rates Team who already assess Mandatory Rate Relief applications. This is in line with the approach taken by other local authorities and is anticipated to make the application process quicker and easier for applicants. The Community Investment team will still be on hand to offer advice to the Business Rate team about the eligibility of groups applying for DRR as needed and will signpost any community groups to the Business Rates team.</p>
4.3	<p><u>2026-27 £5k and under grants</u></p> <p>As with 2025-26 we will have two grant rounds for groups wishing to apply for a £5k and under grant. It is not yet possible to provide a summary of the funding allocation for the first round of Community Grants with a value of £5,000 or less, as the application window closed on 13 January 2026 and assessments have not been completed. The second round of grant funding for 2026-27 will open on 21 April 2026. We anticipate that we will award approximately £70,000 of the £120,000 budget in Round 1 as we expect the majority of applications to be received in the first round.</p>
4.4	<p><u>Update on the 3 Multi-year grants for 2025-28</u></p> <p>The first three multi-year grants are reaching the end of their first year. Feedback from</p>

	<p>the 6-month monitoring reports is very positive, with the clear impacts already being felt:</p> <p><i>“Moving to a three-year funding cycle has had a significant impact on staff retention and financial planning. Knowing we have longevity of funding has allowed us to assure staff their roles will be maintained for three years which has reduced the impact of staff starting to look for other jobs towards the end of the funding. Additionally, being able to forecast our budgets and spending over a longer period has provided greater certainty for longer term spending”. Helen Cook, CEO, Cambridge and District Citizens Advice Bureau.</i></p> <p>The approach of holding partnership meetings to compliment written monitoring reports for these groups is also working well, with productive conversations which are identifying opportunities for partnership working, resolving issues promptly and generally improving communication and building up trust. We intend to build on this approach for those organisations that will be in receipt of core funding under the new model.</p>
4.5	<p><u>Proposed additional multi-year grant for 2026-27</u></p> <p>There is a pressing need for food justice work to be progressing effectively in the city, and as such it is proposed that a further multi-year grant be offered to Cambridge Sustainable Food to take this work forwards.</p> <p>This grant will build resilient community infrastructure by facilitating networks, running community programmes and delivering practical food solutions. It will support behaviour change through climate-friendly food education, tackle food waste via surplus redistribution, and run food access projects across Cambridge. If this recommendation is approved, the grant would run for three years from April 2026 but be incorporated into the new model along with CCVS/Support Cambs, CCAB and CECF who already have multi-year grants.</p>
4.6	<p><u>Introduction of a 3 Tier Community Grants programme for 2027-30</u></p> <p>The evolution of the grants programme is intended to reduce administrative burden, promote trust-based funding, and support high-performing organisations to lead and adapt over time. Multi-year funding should enable organisations to plan with confidence and manage resources more effectively, reduce the risk of service disruption due to funding gaps and support organisations to plan long-term employment</p>

and enable staff retention. Our aim is also to encourage organisations to focus on long-term outcomes rather than short-term outputs, facilitate deeper, systemic change in communities and allow for more meaningful monitoring, evaluation, and learning.

The Community Grants budget is approximately £1,110,000⁴. This needs to be used in a way that balances the needs of very small grass roots organisations, much larger established groups and new groups keen to grow. Therefore a ‘tiered’ grant scheme is proposed to respond to the different needs of the sector.

Alongside this, a risk-based approach is required to ensure that we are managing public funds responsibly and proportionately. This includes:

- assessing the stability and effectiveness of an applicant group through reviewing group governance and finances, track record of delivery, organisational staff capacity
- maintaining our model of payment in advance that reflects the risk and size of grant
- a staggered response to monitoring, proportionate to the value of the grant and previous grant management. Monitoring is outcomes focused in all cases but for Tier 3, the focus would be on organisational outcomes, contribution to system change, and learning not directly attributable to a specific project.

The evolution of the grant programme aligns with the Council's Community Wealth Building Strategy where the Council recognises the value of locally based organisations and encourages investment in them.

The tiered approach reflects a shift from solely annual project-by-project funding towards sustained investment in trusted VCSE partners who align with the Council's strategic outcomes and deliver measurable impact. Organisations benefitting from the new unrestricted (core) grants will be assessed based on their contribution to strategic outcomes, not individual projects.

⁴ Subject to CPI

4.7	<p><u>Community Grant programme outcomes</u></p> <p>All applications will have to demonstrate how they meet one or more of the Communities Groups outcomes – developed from the agreed purpose statement set out in transformation for the Communities Group⁵.</p> <p>The Communities Group Impact Framework has the following outcomes:</p> <ol style="list-style-type: none"> 1. Happy and Healthy Lives – residents report feeling happy and healthy and are able to thrive and fulfil their potential, where we address inequalities where we have influence 2. Safe and Pleasant Places - residents feel their neighbourhood is a safe and pleasant place to be, to move around in, and feel proud to live there 3. Belonging and Connection - people feel a sense of belonging in Cambridge, where diversity is valued and there is a reduced sense of isolation among those at greatest risk 4. Information, Support and Confidence - individuals and communities have access to the right services, information and support, if and when they need it, providing those most vulnerable with the tools and confidence to manage challenges <p>These outcomes have been developed to reflect key Council strategies, built on local evidence, and existing data sources. The aim is to ensure the work of the Communities Group is purpose driven, with the needs of our residents at its heart.</p> <p>Realigning the Community Grant outcomes to the Communities Group outcomes will ensure that they remain reflective of community needs and Council priorities. The revised Community Grant Scheme outcomes will continue to focus on ensuring that residents have equality of opportunity, with ‘One City – Fair for All’ at the heart.</p> <p>The revised outcomes are broader than those of the current Community Grant scheme, which means a wider range of VCSE organisations are likely to be eligible for funding. It is also likely that all groups who currently benefit from Community Grant funding will still be eligible to apply.</p>
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⁵ As set out in the report presented to Strategy and Resources Committee, 30 Sept 2024
[240930SRReportfinal-OurCambridge.pdf](#)

4.8	<p><u>Implementation of the new model</u></p> <p>As with our current Community Grants programme, all applicant groups would be required to meet basic eligibility criteria. Additional criteria and a description of the purpose of each funding Tier would be set out for potential applicants. The proposed criteria are set out at Appendix 2⁶.</p> <p><u>Tier 1</u>- is activity/project based and mirrors the current '£5k and under Community Grant scheme' and will not require any changes to current criteria. However, if the overall value of the Community Grants pot remains at around £1,110,000.00 and we wish to move towards multi-year funding, we will need to reduce the value of the grant pot available for small grant applications, compared to 2025-26. It is likely that the majority of groups will request multi-year funding so we do not anticipate this causing an issue, but we will reserve the right to move funds between the three tiers to best meet the demand.</p> <p><u>Tier 2</u> – is project/activity based, as the Council would not be proposing to fund the core costs of organisations not focusing the majority of their delivery in the city, where their whole organisational aims do not align with Council priorities or where we were not confident of the groups capability to sustain consistent delivery over time.</p> <p>Tier 2 would be open to groups that do not employ staff and therefore do not have the continuity and stability that this brings and may not generally have the organisational infrastructure at this point to be eligible for unrestricted funding. Having completed an early equality impact review on the proposal, it identified that this is particularly true of many of the BME groups that are currently in receipt of Community Grant funding. Introducing a middle tier enables these groups to benefit from multi-year funding alongside an offer of ongoing support to grow as organisations, if this is what they want. This tier would also apply to applicant groups who are not primarily delivering their services in the City but may be proposing to deliver an activity that is not being provided by a local group.</p>
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⁶ But may be subject to change after consultation with the VCSE infrastructure groups and continued financial modelling.

	<p><u>Tier 3</u> – offers unrestricted funding for established locally based groups delivering the majority of their services in the City.</p> <p>The funding will not be tied to the delivery of activities, and it will therefore not be possible to place a financial value on the grant in the way that is possible for project-based funding.</p> <p>Given that rent in Cambridge is very high, any criteria would need to recognise that some groups may be based outside of the City for financial reasons but still be delivering the majority of their work in the City.</p> <p>It is likely that the final Tier 3 criteria will need to allow for discretionary flexibility as some of the Councils primary delivery partners would not meet all of the eligibility criteria. We would also wish to award higher grants in critical service areas.</p>
5.	Corporate plan
5.1	<p>The Community Grants programme supports the delivery of Priority 2 of the Corporate Plan: tackling poverty and inequality and helping people in the greatest need⁷. The Community Grants programme has an overarching scheme requirement that the proposed activity must reduce social and/or economic deprivation for resident residents with the greatest need. Currently applicants must meet one or more of the scheme outcomes:</p> <ul style="list-style-type: none"> • helping people be more active • improving access to arts and culture • bringing communities together • reducing poverty • reducing loneliness and social isolation • employment and skills support <p>For every £1 awarded as a Community Grant, approximately £4-£5 of income is raised by the groups through additional fundraising. Combined with the value of the volunteer</p>

⁷ [Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council](#)

	<p>hours and other in-kind contributions, this means that the total value of the scheme far exceeds £5 million per annum and makes a significant contribution towards the councils Corporate Plan.</p> <p>The proposed new Community Grant Scheme outcomes set out at 4.7 above will also align with the Corporate Plan and it is expected that the total value of the scheme will be in line with or exceed current levels.</p>
6.	Consultation, engagement and communication
6.1	<p>With regards to the 2026-27 Community grant funding, applicants were notified when this report was published detailing recommended awards, giving an indication of proposed funding from April 2026. This adhered as closely as possible to the Compact framework to give three months' notice of funding changes. Officers will continue the process of award notification, signposting and support, and implementing and monitoring awards.</p>
6.2	<p>A meeting was held with representatives from the VCSE infrastructure support groups and those already in receipt of multi-year funding, to sense check the proposals around the introduction of further multi-year grants and unrestricted funding. Cross departmental conversations within the City Council and with colleagues from other local authorities, have also taken place to assist in the development of the model.</p> <p>If the recommendation to implement the 3 Tier model is approved, work will begin on communicating the changes to potential grant applicants. This will be through a mix of webinars, mailings, social media, in person group meetings, and attendance at multi-agency meetings. The timeline at Appendix 3 illustrates that the changes will be communicated several months prior to any funding changes for applicant groups.</p>
7.	Anticipated outcomes, benefits or impact
7.1	<p>The benefits of multi-year funding and unrestricted grants is set out in Appendix 4.</p> <p>We will measure the impact of multi-year and unrestricted funding to the organisation through the addition of questions on the grant monitoring report template. This will be reported back via the Community Grants Annual Report and incorporated into the</p>

	<p>Councils Performance Management Framework.</p> <p>The impact of specific activities or projects delivered by funded groups will be captured in their grant monitoring reports. Impact is increasingly being demonstrated through case studies, photographs and story telling in addition to the results of beneficiary surveys. A collection of some of this will be presented in an Annual Report.</p>
8.	Implications
8.1	Relevant risks
	<p>There is a reputational risk for taking no action and continuing with annual grants only. The benefits of multi-year and unrestricted funding are well demonstrated, and the Council has committed to the Cambridgeshire Compact and delivering against the Poverty Commission Action Plan. If we do not move to a tiered model that reflects need and aligns with other local authorities in our area, we will lose credibility as a funder and risk damaging our relationship with the VCSE sector.</p> <p>However, there are also risks associated with introducing unrestricted funding in particular. There is a risk that the introduction of Tier 3 will raise expectations amongst eligible groups around the level of funding that can be applied for and will be awarded. This can be mitigated in a number of ways:</p> <ol style="list-style-type: none"> 1. Through the introduction of an upper funding cap (to be decided as part on the ongoing modelling work, but likely to be between £35-40k). (Note: Whilst setting an upper limit manages expectations generally, this would raise expectations for some eligible groups who have previously received a much smaller level of funding for specific activities. This would have to be carefully managed through clear communications and potentially an 'Expression of Interest' stage). 2. Through the introduction of a percentage cap based upon the annual turnover of the applicant group. 3. Restricting the funding to groups with an annual turnover of less than £2m. 4. Awarding grants based on the proportion of city residents that benefit from the applicant groups overall offer.

	<p>Even with these potential mitigating criteria, there will be increased pressure on the budget as groups previously not funded by the Council, but who do meet the criteria, are likely to be attracted by this funding stream given how few opportunities there are to secure unrestricted funding.</p> <p>There is also a risk that by giving core grants our funding may not be used for activities specifically related to Council priorities and outcomes. This can be mitigated through ensuring that at application stage we establish the organisations core purpose and values and only funding those groups where there is close alignment.</p> <p>All successful applicants would have to sign and abide by a grant agreement and complete 6 month and 12-month monitoring, alongside regular partnership meetings. Ultimately, the very nature of unrestricted funding is that the Council needs to trust the grantees and be satisfied that so long as the group continues to deliver against its core purpose and values, our grant has been well spent.</p>
	Financial Implications
8.2	<p>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.</p> <p>An inflationary uplift will be added to all multi-year grants so this should also be taken into account when agreeing the Councils budget.</p>
	Legal Implications
8.3	<p>The Council uses grant agreements which set out the requirements of funded groups to ensure the grant is spent appropriately. Grants with a value of £40,000 and over are sealed as deeds after being checked by a member of Legal Services. There are no proposals to change this approach.</p>

	<p>If the recommendations are approved, the Legal Services Team will review the Grant Agreements to ensure they reflect the implications of LGR, although we fully expect that the new authority will wish to continue its support of the VCSE.</p>
	<p>Equalities and socio-economic Implications</p>
8.4	<p>The Community Grants programme's primary aim is to reduce inequality experienced by city residents. However, it is recognised that how we deliver this programme may have unintended consequences and therefore an Equality Impact Assessment is attached at Appendix 5.</p> <p>In summary, organisations who receive funding over £5,000 are required to have (or be developing) a policy in place which demonstrates the group is aware of its obligations around equality and diversity.</p> <p>The '£5k and under community grants' guidelines (and Tier 1 of the new scheme) 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 for Support Cambridge and Cambridge Ethnic Community Forum will be included to signpost any organisation seeking support to develop an equal opportunities policy or to improve their equalities and diversity practices generally.</p>
	<p>Net Zero Carbon, Climate Change and Environmental implications</p>
8.5	<p>Implementing the recommendations in this report are expected to result in a zero-climate change rating.</p> <p>Organisations in receipt of a Tier 2 or Tier 3 Community Grants award would be expected to have or develop an environmental policy.</p> <p>As indicated to Members in the Community Grants Review paper presented at Community and Environment Scrutiny Committee in June 2024, a new question has been added to community grant application form requiring groups to set out what specific actions and mitigations they will take to reduce the carbon footprint of the proposed activity.</p>

	Procurement Implications
8.6	The Council's approach to grant aid through the Community Grants programme is via an application process rather than through the direct commissioning of services.
	Community Safety Implications
8.7	<p>Some of the funded projects are likely to have a positive impact on perceptions of community safety generally, and the introduction of the Community Group outcomes includes one that specifically mentions safety:</p> <p>Safe and Pleasant Places - residents feel their neighbourhood is a safe and pleasant place to be, to move around in, and feel proud to live there</p> <p>Therefore it can be expected that some applications may be specifically targeted at improving community safety or perceptions of community safety.</p>
9.	<p>Background documents</p> <p>Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985</p>
9.1	None.
10.	Appendices
10.1	<p>Appendix 1: 26-27 (Over £5k) Community Grant Recommendations</p> <p>Appendix 2: Community Grants Eligibility Criteria</p> <p>Appendix 3: Timeline for implementation of 3 Tier Community Grants Programme</p> <p>Appendix 4: Benefits of Multi-year and Core grants</p> <p>Appendix 5: Equality Impact Assessment</p>
	<p>To inspect the background papers or if you have a query on the report please contact:</p> <p>Julie Cornwell, Strategic Community Investment Lead</p> <p>Tel: 01223 457885 Email: julie.cornwell@cambridge.gov.uk</p>