

# **Cabinet**

## **Tuesday 6<sup>th</sup> October 2020**

### **Financial provision to the voluntary and community sector**

#### **For Decision**

**Portfolio Holder:** Cllr J Haynes, Customer and Community Services

**Executive Director:** M Prosser, Chief Executive

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**Report Status:** Public

#### **Recommendation:**

1. The continued provision of the 'information, advice and guidance' service for residents at the current financial rate for a 5-year term to offer stability. Extension of the current grant for a further 6 months 1<sup>st</sup> April – 30<sup>th</sup> September 2021 to enable a procurement exercise to be undertaken. The new contract to begin on 1<sup>st</sup> October 2021
2. The continued provision of an arts and culture support service at the current financial rate for a 5-year term. Extension of the current grant for a further 6 months 1<sup>st</sup> April – 30<sup>th</sup> September 2021 to enable a procurement exercise to be undertaken. The new contract to begin on 1<sup>st</sup> October 2021
3. The continued provision of support services to the social voluntary community sector at the current financial rate for a 5-year term. This will be tendered as one contract for bidding organisations to work in partnership to deliver the support for the rest of the social voluntary community sector. Extension of the current grant recipients for a further 6 months 1<sup>st</sup> April – 30<sup>th</sup> September 2021 to enable a procurement exercise to be undertaken. The new contract to begin on 1<sup>st</sup> October 2021
4. The continued commissioned support of the museums and community centres in which Dorset Council have a reversionary interest at the current financial rate for a

period of 1 year from 1<sup>st</sup> April 2021 to be considered within the wider council buildings and assets review.

5. A discretionary outcome-based fund to be introduced to replace all historical grant programmes offered by Dorset Council. Criteria to be modified in accordance to the comments made in the consultation and agreed with the Cabinet Portfolio Holder.

### **Reason for Recommendation:**

1. The consultation has evidenced the value and very strong level of support for the information, advice and guidance service for residents. Due to the value of the contract, there is a requirement to procure the service. The timescales involved in undertaking an open and transparent procurement exercise will necessitate the need to extend the existing contract to allow sufficient time for this to be completed.

2. The consultation has evidenced the value and very strong level of support for the arts support service. Due to the value of the contract, there is a requirement to procure the service. The timescales involved in undertaking an open and transparent procurement exercise will necessitate the need to extend the existing contract to allow sufficient time for this to be completed.

3. The consultation has evidenced the value and very strong level of support for the social VCS support service. Due to the value of the contract, there is a requirement to procure the service. The timescales involved in undertaking an open and transparent procurement exercise will necessitate the need to extend the existing contract to allow sufficient time for this to be completed. It is acknowledged that the current organisations worked incredibly effectively together before and during the COVID-19 pandemic, achieving joint outcomes.

4. The consultation has evidenced a strong level of support for the museums and community centres in which the council has a reversionary interest. However, given that the council is currently undertaking a full review of its assets and buildings, it would be prudent to agree an initial 1-year extension to allow for these to form part of the wider review.

5. The consultation has evidenced a strong level of support for flexible funding to enable community organisations to identify and resolve local community needs. The discretionary outcome-based grants will continue to provide vital support to organisations that provide outcome-based evidence for delivery of Council Plan priorities. These will be made available by 31<sup>st</sup> December to give current grant recipients the opportunity to secure funding before the financial year end.

## **1. Executive Summary**

This report explains the results of the consultation regarding Dorset Council's proposals for allocating funding to the voluntary community sector.

The proposals will ensure that the overall levels of funding are maintained, and the new harmonised and equitable approach to allocations will enable the voluntary community

sector to support Dorset Council to meet our community priorities for the period 2021-2026.

The recommendations in this report have been supported by People and Health Overview Committee on the 22<sup>nd</sup> September 2020.

## 2. Financial Implications

No change to current overall budget allocation

The below table summarises the current budgets for the commissioned services and the discretionary outcome-based fund inherited from the sovereign councils.

Budget area	Total per annum	
Commissioned Information, Advice and Guidance	571,650	
Commissioned service support for the Arts and Culture sector	127,000	
Commissioned service support for the Social Voluntary Community sector	150,129	
12-month Extension for reversionary buildings	£234,056*	
<b>Total 'earmarked funds'</b>	<b>£1,082,835</b>	
Discretionary outcome-based fund	Social VCS	£372,359
	Arts, Culture, Leisure and Museums	£413,223
	<b>Total</b>	<b>£785,582</b>
<b>Overall Total</b>	<b>£1,868,417</b>	

\*this now excludes the £28,000 given to the Priests House Museum for the Tourist Information Centre as that will be reviewed as part of the TIC review.

## 3. Climate implications

No specific implications directly from this report however organisations may bid for grants to help address their carbon footprint.

## 4. Other Implications

**Health and Wellbeing:** This budget and portfolio strongly supports the Early Intervention and Prevention agenda for Dorset's population and compliments commissioned activity from the Directorates, Public Health and other statutory sector organisations

**Voluntary Community Sector:** The future provision may result in a reduction of funding for some voluntary and community organisations that currently receive historic funding but there are many other organisations that do not currently receive funding who will have an opportunity to access discretionary funds that support Dorset Council to meet our corporate priorities

## **5. Risk Assessment**

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: Medium

Residual Risk: Medium

## **6. Equalities Impact Assessment**

Historical funding arrangements are inequitable with some areas of Dorset receiving significantly more funding than others. This proposal will restore the balance and ensure that all geographical communities will receive a baseline level of support services to the Voluntary Community Sector (VCS) and further funds will be available to enable communities at disadvantage to apply for additional funds. The criteria proposed for these additional funds has prioritised Dorset Council's equality duty and our local protected characteristics.

## **7. Appendices**

1. Summary of the consultation results
2. Full consultation report
3. State of the sector report by Dorset Community Action May 2020
4. Equality Impact Assessment

## **8. Background Papers**

Cabinet Report – Grants to Voluntary Community Sector - 5 November 2019

Paragraph Numbering - the following practice should be used for all reports:

## **9. Purpose of report**

9.1 To report on the results of the consultation about Dorset Council's proposals for allocating funding to the voluntary community sector to ensure a harmonised and equitable approach that will enable the voluntary community sector to support us to meet our community priorities for the period 2021-2026

## **10. Background**

10.1 Prior to the creation of Dorset Council, all six of the former sovereign councils prioritised and supported the voluntary community sector, but each had vastly different means and allocated funds using differing criteria in order to meet their corporate priorities to reduce demand on public services and the requirement of high cost interventions in Dorset.

10.2 In November 2019 Dorset Council Cabinet authorised a full public consultation regarding the future provision of grants to Dorset's voluntary community sector with a focus sector support (infrastructure) and an equal opportunity to apply for funding.

10.3 In February 2020 the Dorset Council Plan was officially adopted, prioritising "strong healthy communities" as one of the five priorities.

10.4 The recommendations in this report have been supported by People and Health Overview Committee on the 22<sup>nd</sup> September 2020 and that both a cultural strategy and a community strategy be developed as part of the policy approach to working in partnership with the voluntary community sector

## **11. Outcome of the public consultation**

11.1 The consultation was open for eight weeks, available both electronically online and in paper form from local libraries. The consultation was promoted widely through both the local press, social media and community networks. Several sessions were held with officers in attendance. These were well attended. The consultation received 1619 responses which were geographically spread over the Dorset Council area.

3.2 A summary of the results of the consultation is located in appendix 1

3.3 The full consultation report is located in appendix 2

## **12. The COVID effect**

12.1 Many of Dorset's social VCS organisations have been significantly impacted by the pandemic, having to close operational activity, venues, and furlough staff. Some diversified their services to support their local communities during this time. New micro local COVID support organisations started up, many supported by their local town and parish councils, to support their communities.

12.2 Some organisations received funding to support their COVID offer from the National Emergency Trust fund or other funds and a minority were eligible for Retail, Hospitality and Leisure Grant Funding but many who could not support COVID delivery are yet to receive any support funding. In May 2020 as part of Community Shield work, Dorset Community Action conducted a survey to all groups and organisations about how the lockdown had affected their organisation. Of the respondents, 64% stated they were at potential threat of closure in the next 12 months as a direct impact of the pandemic: the two joint reasons given were loss of income and lack of fundraising opportunities. Full report in Appendix 3

12.3 Several of the support service organisations (Volunteer Centre Dorset, Dorset Community Action, Age UK North, South and West Dorset, Citizen's Advice and Help and Kindness) worked collaboratively with Dorset Council Councillors and officers to deliver the Community Shield programme ensuring Dorset's vulnerable and shielded were supported throughout the duration and beyond. This programme has built new relationships with a different way of working together and it has laid the foundations of how Dorset Council wants to work with the VCS to support our communities in the future. Between the support service organisations and the local support groups, Dorset had over 5000 volunteers registered to support their local community.

12.4 Dorset's cultural and museum sector has also been significantly impacted by the pandemic, having to close venues, cancel events and festivals, and furlough staff.

12.5 Some museums and arts organisations have been able to secure Retail, Hospitality and Leisure Grant Funding and crucially 18 cultural organisations have received a total of £343,788 from the Arts Council England COVID Emergency Fund. In addition to this, 21 individuals were granted £45,899. The new ACE Cultural Recovery Fund, which has

recently been launched, will provide further opportunity for larger cultural organisations to secure further financial support, in particular those venues that will continue to be impacted by social distancing guidelines.

12.6 Culture and museum officers have been in regular dialogue with Arts Council South West during the pandemic, and although they are keen to support the sector where they can, future funding is often conditional and proportionate to the ongoing financial support provided by the council.

### **13. The proposed approach for Dorset Council to allocate funding for the provision for information, advice and guidance**

13.1 The results of the consultation show that 93.3% of respondents supported the continuation of funding the provision of Information, Advice and Guidance at the current rate of funding for a 5-year period.

13.2 Dorset Council has a long and trusted relationship with Citizens Advice who currently provide the information, advice and guidance. They have an excellent outcome-based track record of supporting Dorset's most vulnerable residents. Since April 2020 Citizens Advice is reporting a sharp increase in Dorset residents with issues in the employment category (up 500% on August 2019) and are working with council teams to support this.

13.3 The current service agreement expires on the 31<sup>st</sup> March 2021. However, given the impact of Covid-19, it would be feasible to extend this contract by a further six months to allow time for an open procurement exercise.

### **14. The proposed approach for Dorset Council to allocate funding for support to the Arts sector**

14.1 The results of the consultation show that 84.9% of respondents supported the continuation of a support service to the Arts and Culture sector, at the current rate of funding for a 5-year period.

14.2 Although there was slightly lower support from the Voluntary Sector Organisations themselves, it was recognised that the strategic support service currently provided by, the Arts Development Company, plays a critical role in advising and supporting the sector in securing leveraged funds through Arts Council England. Similarly, given the strategic purpose of the service, it is vital to have a contract period of five years to ensure that development opportunities can be delivered.

14.3 The consultation provided several constructive responses on how the service could be further improved, and this feedback will prove valuable in preparing any future procurement specification and service level agreement.

14.4 The current service agreement expires on the 31<sup>st</sup> March 2021. However, given the impact of Covid-19, it would be feasible to extend this contract by a further six months to allow time for an open procurement exercise.

## **15. The proposed approach for Dorset Council to allocate funding for the VCS support services**

15.1 The results of the consultation show that 85.3% of respondents supported the continuation of funding for the provision of support services at at-least the current rate of funding for a 5-year period.

15.2 There was strong support of the value of support services in representing Dorset's rich and diverse VCS and how they contribute to organisation governance, social wellbeing, volunteering and those communities who are at risk of experiencing greater disadvantage. This is currently provided separately by Dorset Community Action, Volunteer Centre Dorset and Dorset Race Equality Council. It is essential there a robust VCS support services (infrastructure) to support these groups and individuals.

15.3 The current service agreement expires on the 31<sup>st</sup> March 2021. However, given the impact of Covid-19, it would be feasible to extend this contract by a further six months to allow time for an open procurement exercise.

## **16. Allocation of funding to the museums and community centres in which Dorset Council has a reversionary interest**

16.1 The results of the consultation show that 91.6% of respondents supported the continuation of funding the museums and community centres, in which Dorset Council has a reversionary interest, at the current rate of funding for a 5-year period.

16.2 Whilst the consultation findings supported a 5-year funding period, it would be more prudent to offer a 1-year extension to allow for these assets to be considered within the Dorset Council buildings and assets review.

16.3 There was very strong support of the value of museums in representing the rich history of the region, and how they support social wellbeing, education and an economic benefit in terms of cultural tourism.

16.4 There was feedback that all museums should receive funding, however these organisations will have an opportunity to apply for financial support via the discretionary outcome-based grants process.

16.5 Funded community centres were also well supported and were recognised for providing a diverse range of community events, activities and programmes with strong links to health and wellbeing and community cohesion.

## **17. The proposed approach for Dorset Council to allocate discretionary outcome-based fund**

17.1 The results of the consultation clearly supports the creation of a discretionary outcome-based fund to enable the VCS to deliver core work and discrete projects that assist Dorset Council in meeting its council plan priorities and continue to enable external national funders to invest their resources in Dorset.

17.2 Overall the proposed criteria were well received. Final adjustments to the criteria in accordance to the comments made in the consultation along with the process for allocating the discretionary outcome-based fund; will now be agreed with the Cabinet Portfolio Holder for Customer Services and Communities.

17.3 In addition to the criteria, appropriate levels governance protocols will be adhered to including, checking the accounts and governing documents of all organisations applying for funding.

17.4 Commissions will be awarded in partnership with People: Adults; People: Children's; Public Health and Place directorates along with appropriate relevant external partners to ensure the system is joined up.

17.5 The first allocation of outcome-based commissions will be awarded before 31<sup>st</sup> December 2020 to begin on 1<sup>st</sup> April 2021 to ensure organisations who may have received grants under historical arrangements will have clarity about any future funding position after 31<sup>st</sup> March 2021.

**Footnote:**

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.