

## Agenda Item Number 14

### BRISTOL CITY COUNCIL

#### Neighbourhoods Scrutiny Commission

17 June 2015

**Report of:** Di Robinson, Service Director, Neighbourhoods & Communities

**Title:** VCS Grants Prospectus: draft vision and principles

**Ward:** n/a

**Officer Presenting Report:** Di Robinson, Service Director,  
Neighbourhoods & Communities

**Contact Telephone Number:** 0117 352 1036

#### RECOMMENDATION

We are asking Members to feedback and comment on the draft vision and principles for the proposed new Voluntary and Community Sector Grants Prospectus.

#### Summary

We have established a Voluntary and Community Sector (VCS) Grants Prospectus Working Group with members from the VCS and the Council, to co-design a new strategic 'prospectus' approach to VCS grant funding.

Work to date has focussed on the development of the vision and principles for this approach. The Working Group wants the draft vision and principles to be shared with a wider audience (the VCS, council and with other organisations, including equalities voice & influence) in order to extend the conversation. This is not a formal consultation but we intend to reflect on any feedback from this 'testing point' and further develop the prospectus approach before opening it up to a full consultation in November 2015.

#### The significant issues in the report are:

- The draft vision and principles (in the body of this report, pages 5 & 6)
- The timeline for the development of the prospectus (appendix 3)

## **Policy**

1. Not applicable

## **Consultation**

2. **Internal:**  
Members of the VCS Grants Prospectus Working Group
3. **External:**  
Members of the VCS Grants Prospectus Working Group

## **Context**

### **4.1 Background**

The City Council currently invests grants of around £7.3m in the Voluntary Community Sector (VCS) to fund activities that contribute to our priorities and meet many different needs across the city. Grant investment comes from all of the council's directorates to a wide range of VCS organisations which use it for many different activities, from supporting local community buildings and delivering community advice services, to delivering community transport and supporting victims of crime.

Bristol has a vibrant and thriving local voluntary and community sector which is based in the local community and as a result is responsive and creative in meeting local need. The council recognises the additional benefits that VCS organisations can bring, including their ability to deliver things in a way that is appropriate to local need, having the right connections to ensure that services can be accessed directly by people in the most flexible and relevant way, and leveraging in other resources for local benefit.

### **4.2 Rationale for change**

The council needs to ensure that this investment is making the maximum impact on the major challenges faced by the city, and that the people that need it most get the best value and the maximum benefit from this investment. We do not currently have a common strategic approach to grant funding across the council. There is no single strategic document to inform the allocation of grant funding and to ensure that the best use is made of these grant monies in order to benefit the people in most need and optimise impacts.

The VCS itself has fed back to the council that there is a need for a more strategic and transparent grants process and a citywide approach to public sector grants funding, and that this would benefit their organisations and their

long term planning of resources.

### **4.3 Rationale for grant funding**

The reasons why it is beneficial to use grant funding to support the VCS have been well documented, most recently by NHS England in their bite size guide to 'Grants in The Voluntary Sector' (February 2015) and this has been summarised in appendix 1.

### **4.4 Mandate for Council decision making**

In December 2014 Cabinet gave its agreement to the development of a strategic, cross-council model of grant funding with clear priorities for the council's grant investment in order to tackle the city's key challenges.

Through the development of this approach we will be able to better understand, decide and manage our intended spend across the city's priorities and against key strategic objectives and needs. This will be underpinned by a review of grant processes in order to develop corporate grant management tools (application processes, funding agreements, monitoring frameworks). It will provide a joined up approach to grant funding which has been lacking to date.

We are calling it a 'prospectus' approach because this is the term used by other local authorities where they have done similar things: providing a document that shows exactly what grant is available, how it will be used and how to apply for it.

## **Proposal**

### **5.1 'Testing' the work to date**

We have established a VCS Grants Prospectus Working Group with members from the VCS and the Council, to co-design this new strategic approach to VCS grant funding. This is a new approach to attempt to share understanding and ownership of the key challenges and how we might go about addressing them together.

Work to date has focussed on the development of the prospectus vision and principles. The Working Group wants the draft vision and principles to be shared with a wider audience (the VCS, council and with other organisations, including equalities voice & influence) in order to extend the conversation. This is not a formal consultation but we intend to reflect on any feedback from this 'testing point' and further develop the prospectus approach before opening it up to a full consultation in November 2015.

The Working Group wishes to use this 'testing point' to:

- Let people know what we are doing
- Ask if the vision makes sense
- Ask if the draft principles feel fair and equitable
- Let people know what is happening next

The main audience for the vision and principles will be VCS organisations and council grant funders. We want people in Bristol to be able to understand what we are trying to achieve and we have made an effort to avoid using 'buzz' words and jargon.

We want the vision to tell people what we want to see as a result of this new approach to grant funding and this will inform the grant priorities.

We want the principles to set out the ways the prospectus approach will work and this will therefore shape the processes that underpin it.

The draft vision and principles are shown on the following pages.

## **5.2 Prospectus Vision**

In 3-5 years' time we want to see that this co-designed approach to grant funding to the voluntary and community sector is resulting in people feeling better about their lives, healthier and more actively engaged.

Our vision is that we will be doing this by:

### **Making a real difference**

Making a real difference and change for the better by working in a new way which brings out the abilities and strengths in people, organisations and neighbourhoods so that every person and community can lead a better/good life together. The change will be measurable and will be achieved in a way we have not envisaged before.

### **Helping the most vulnerable**

Helping vulnerable people to help themselves. . Reaching out to the most vulnerable people and communities to build on their strengths and to open up the possibility for change and ambition.

Offering the support needed by some people to be included in the life of the city and helping us to recognise the value and contribution that people who are multiply disadvantaged bring to the city.

### **Offering early help**

Balancing the demand to address immediate needs and the desire to create longer term solutions.

Contributing to fairer access to opportunities and improved quality of life for all.

### **Building on existing strengths**

Creating the conditions for different kinds of conversations and ways of working which make the best use of community organisations, assets and resources.

Enabling people, community organisations and local communities to have influence and make a positive difference to the rest of their community so that they feel listened to, more confident and less vulnerable.

### **Connecting people**

Connecting people and community organisations better so that they are more able to weather changing and difficult times.

### **Linking with the city**

Recognising that this prospectus is part of a 'whole picture' of activities in the city and linking well with other funds, organisations and businesses from all sectors so that these grants fit well and add value.

Encouraging organisations to work together to connect, share, draw in or pool resources and build a sense of collaboration and community.

### **5.3 Prospectus Principles**

<p>This new, co-designed approach to grant funding will lead the City Council’s investment in our city through:</p> <ul style="list-style-type: none"> <li>• Using a balance of evidence-based and user perspectives to understand local need and shape grant priorities.</li> <li>• Building on what works as well as enabling creative and innovative approaches which contribute to improving people’s lives.</li> <li>• Developing and demonstrating ways that the council and the VCS can work together.</li> <li>• Bringing about positive community outcomes, focusing on the most vulnerable people in our city.</li> <li>• Encouraging strategic alliances and shared learning as part of the grant’s added value.</li> <li>• Using and contributing to (grants) best practice.</li> <li>• Leaving a legacy of sustainability.</li> </ul>	
<p>Using a balance of evidence-based and user perspectives to understand local need and shape grant priorities.</p>	<p>We will use the Joint Strategic Needs Assessment (JSNA) and other existing data and evidence sources to understand local need and we will listen to the views of local people through existing structures (such as the Partnership Boards). Together these will give us a balance of evidence-base and user perspective with which to shape the grant priorities.</p>
<p>Building on what works as well as enabling creative and innovative approaches which contribute to improving people’s lives.</p>	<p>Organisations will be grant funded to build on their strengths and also to innovate. The grants will be allocated to give a balance between things that work now and innovation so that new approaches are taken where appropriate. Our approach will allow risk through a ‘test and learn’ model that embeds innovation and accountability.</p> <p>We are challenging ourselves to be more creative and to enable this move towards a more innovative approach, which by its very nature will disturb the status quo, we will seek support from experts in this field at testing and consultation points.</p> <p>We must have the flexibility to respond to new (or newly presenting) need. This will be through a specific grant fund that enables organisations to apply for either short term or longer term grant where:</p> <ul style="list-style-type: none"> <li>• there is a gap to plug that is not currently being met; and</li> <li>• their activities will ensure that alliances and user pathways ‘join up’ to meet the new need; and</li> <li>• the organisation brings in match funding when possible.</li> </ul>
<p>Developing and demonstrating ways that the council and the VCS can work together.</p>	<p>For this grants prospectus, by voluntary and community sector we mean non-governmental, community-based organisations which are value-driven (their values arise from the community) and which reinvest their surpluses to further social, environmental or cultural objectives. For the purposes of this grant, the sector includes voluntary and community organisations, charities, CICs, co-operatives and mutuals. They range from small volunteer/single worker organisations and local community groups to large established organisations.</p> <p>We will make sure that there are grant opportunities for a range of VCS organisations. Every grant (programme) offered will show clearly the organisational characteristics we can reasonably require (e.g. local base,</p>

	<p>local networks, user-led). This will not be a 'one size fits all' approach. Any funded organisation will need to have a constitution, be incorporated, have at least three trustees or directors, have a bank account in its name and have a set of objectives that enable it to undertake the activities it proposes in order to contribute to our outcomes.</p>
<p>Bringing about positive community outcomes, focusing on the most vulnerable people in our city.</p>	<p>We want to be in a position where we know what we are achieving through the prospectus and can show the value of it.</p> <p>We will work to develop a set of outcomes focused on the needs of the vulnerable people who are at the heart of the prospectus. We are currently working to see if we can use a Theory of Change model to enable funded organisations to tell us and evidence what impacts their activities have. If we be confident that grant funded activities have positive impacts we can then develop a proportionate monitoring framework that trusts in the impact and monitors only what is important. We will need to take into account requirements from other funders (e.g. Public Health England, DoH &amp; LSC).</p>
<p>Encouraging strategic alliances and shared learning as part of the grant's added value.</p>	<p>Where it can make a positive difference for vulnerable people, we will encourage formal and informal strategic alliances (e.g. geographic alliances, communities of interest alliances) in order to encourage new ways of working.</p> <p>Where the evidence shows that a more formally joined-up approach is needed to meet peoples' needs we will work to understand the local 'market' and will offer the opportunity for organisations to apply for grants collaboratively.</p> <p>We want organisations to share and benefit from the learning* from grant funded activities so that it benefits the wider community and we will embed this in our grant processes and grant agreements.</p> <p>Shared learning and the formation of strategic alliances will be some of the added value that we seek to achieve through the grant.</p> <p>*we need to establish low cost ways of doing this</p>
<p>Using and contributing to (grants) best practice.</p>	<p>The grant mechanisms will be designed in a way that makes transparent use of the grant, so that it is easy to understand what grant is available, for what, for whom, when and how to apply. We will design grant processes in line with our commitment to the Bristol Compact, that are proportionate and clear and will make sure that our eligibility criteria are reasonable and are designed to include smaller organisations as well as medium and large organisations. The processes will be efficient and aim to conserve resources both for the VCS organisations applying and for those managing the application processes.</p>
<p>Leaving a legacy of sustainability</p>	<p>We understand that there is a range of funding opportunities open to VCS organisations in the city: some have limited options and some have wide funding portfolios. We will encourage organisations to widen their funding models through leverage and social enterprise where possible. We will encourage strategic alliances in order to release or bring in extra resources for the city, not just for individual organisations.</p> <p>Our processes will be Compact compliant and we will offer three-year</p>

	<p>grant funding during which time organisations can evidence the effectiveness of what they do and maximise the potential of other funding sources. We will follow Compact protocols to withdraw grant in cases of non-compliance with grant terms and conditions or poor performance.</p> <p>In some instances we may offer three-year grant funding which is reduced year on year.</p> <p>As part of our commitment to fostering innovation, we accept that organisations will use some grant funding to cover the costs of evaluation and fundraising. We also accept that risk accompanies innovation and, although we have an obligation to ensure good use of public funds, we believe testing and innovation are important.</p>
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In the Vision and principles we are using the term ‘vulnerable people’ to mean those people and communities who are unable to withstand the adverse effects of the many pressures and stresses they face and those who are likely to reach a point where they can no longer withstand them. This is explained in appendix 2.

#### **5.4 Next steps**

Once we have considered the feedback we get from this testing point with a wider audience we will review our vision and principles. We will then begin to develop a rationale for apportioning grant monies against funding priorities. This will be the most challenging part of the co-design process. Hence our intention to have ‘testing points’ with Scrutiny and Cabinet and to consult with the VCS for 12 weeks from mid-November. A summary of the timeline is attached at Appendix 3.

The final prospectus will be taken to Cabinet in June 2016 and once the prospectus is agreed it will be launched and implemented with the first grants in place from April 2017.

#### **Risk Assessment**

7. Our co-design approach, working with colleagues from the VCS to develop the prospectus, is new and is about sharing our knowledge, skills and expertise to develop something together that changes what we do for the better. The next steps will be challenging and there is a risk that this co-design approach will fail. We have worked with support from co-design experts to establish a methodology and clarity about how and why we are working together and have engaged an independent facilitator to mitigate this. This is a long project throughout which we have a full risk log which we review and update monthly.

## Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
  - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
    - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
    - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
    - tackle prejudice; and
    - promote understanding.
- 8b) The VCS Grants Prospectus Working Group has members from two equality voice and influence organisations and through them, links with BEING (Bristol Equalities & Inclusion Networking Group). BEING will be involved at this ‘testing’ stage of the draft vision and principles. An equality impact assessment will be undertaken as part of the planned consultation from November.

## Legal and Resource Implications

### Legal

Not applicable

**Financial**

**(a) Revenue**

Not applicable

**(b) Capital**

Not applicable

**Land**

Not applicable

**Personnel**

Not applicable

**Appendices:**

Appendix 1 – Why invest funding in the voluntary and community sector?

Appendix 2 – What we mean by ‘vulnerable people’

Appendix 3 – Summary Timeline

## **Appendix 1**

### **Why invest grant funding in the voluntary and community sector? Rationales from NHS Paper**

‘Grant funding is a vital part of the funding mix .....as it enables commissioners to work with voluntary and community organisations (from small community organisations to larger national bodies) to respond to the needs of public and to target.... inequalities.’ (NHS England 2015)

VCS organisations have a long history of developing innovative and creative approaches to improving well-being:

‘Grants are a useful tool to enable these approaches to be developed, piloted and evaluated where this would not otherwise be possible. This could include new approaches to delivering services where current services fail, or piloting new models. Grant funding can enable VCS organisations to work in new and flexible ways with communities to develop new solutions to persistent challenges.’

‘VCS organisations have routes into and established relationships with particular communities (geographic communities, equalities groups and particular demographics e.g. older people/teenagers), and are skilled at working with those communities. This helps commissioners to engage more deeply.’

‘VCS groups are often trusted, accessible and skilled at outreach and engagement. A grant award can support an organisation to reach out to people who are not often heard and offer a vital source of insight, both about issues and possible solutions. They have knowledge of the needs and strengths of their beneficiaries, are aware of current issues, can represent the voice of their beneficiaries and support them to be more directly involved in health and wellbeing strategies and plans.’  
(NHS England 2015)

Grants can support organisations to work with their community to develop bespoke solutions to persistent problems or to support individuals to take a proactive approach to their own wellbeing. Developing a strategic VCS grants approach can help develop co-produced tailored solutions to specific local problems:

‘A small grant can resource a community based organisation to develop tailored support and interventions that are specific to a particular community.’

‘Grants mean that local charities and community groups can make things happen for local people. A small grant can help an organisation

to lever in additional resource, bring additional volunteer capacity and respond flexibly to the needs of their communities and build on the strengths.’  
(NHS England 2015)

We know from our monitoring of the Community Investment Fund in 2013/14 that for every £1 of the £2.3m grant invested in local VCS organisations, not only did they deliver benefits for local people, they also levered in £1.70 of additional funds into the City and they benefited from volunteers time worth £0.53 (based on living wage) and for every £1 invested in local advice organisations they secure £3.20 in additional benefits or debt written off for local people. Therefore in terms of investing our grant for maximum local value, funding local VCS organisations provides a good rate of return.

Under a grant agreement, the council provides financial support to a VCS organisation for an area of its work. By contrast, contracts are about the purchase of specific services from an organisation on behalf of the council. A grant agreement may not impose an obligation to provide services, but can require the grantee to use the money towards a particular project or service and set out other terms on which the grant is made. The terms might require the recipient to pay back the grant, or part of it, in some circumstances.

Grant funding is not subject to European Union procurement rules, although the council should demonstrate a transparent process which achieves value for money and non-competition should be justified.

#### References:

NHS England ‘Guide 05: A bite size guide to Grants for the Voluntary Sector’ (Feb 2015) accessed on 10/06/15 from: <http://www.england.nhs.uk/wp-content/uploads/2015/02/nhs-bitesize-grants.rb-170215.pdf>

## Appendix 2

### What do we mean by 'vulnerable people' in the VCS grants prospectus?

In the VCS grants prospectus, by vulnerable people we mean those people and communities who are unable to withstand the adverse effects of pressures and stresses and those who are likely to reach a point where they can no longer withstand them. We are not using the term 'vulnerable' in the very specific and legal sense of the term 'Vulnerable Adult'<sup>1</sup> used in health and social care.

The most widely written about definitions of vulnerability refer to poverty. Whilst there are many different definitions of vulnerability to poverty, they commonly focus on the likelihood that individuals, households or communities will be in poverty in the future. Vulnerability to poverty is a forward-looking concept that estimates the probability that a household may remain or become poor in the future due to various risks.

Through the VCS grants prospectus we want to take a preventative approach to help those people who are vulnerable to any or all of the following:

- poverty (fuel poverty, food poverty, financial poverty)
- physical and emotional ill health
- unemployment
- lifestyle deprivation (being able to access common service and leisure experiences)
- low engagement (participating in their community)
- social isolation.

<sup>1</sup> In health and social care the term 'Vulnerable Adult' has a very particular meaning: A person 'who is or may be in need of community care services by reason of disability, age or illness; and is or may be unable to take care or unable to protect him or herself against significant harm or exploitation.' This is taken from the core definition of a vulnerable adult, taken from the 1997 consultation 'Who Decides?' issued by the Lord Chancellor's Department.

## **Appendix 3: Summary Timeline**

### **July 2015 – ‘Testing’ the Vision and Principles**

*13 July: VCS Grants Prospectus Co-design Working Group meeting*

14 July: SLT

14 July: Equalities Voice & Influence organisations (BEING)

16 July: Voscur VCS Assembly

17 July: Scrutiny

### **Aug 2015 – Briefing the Assistant Mayor and Mayor**

Aug 6: Assistant Mayor

Aug 26: Mayor

### **Aug-Sep 2015 – Develop rationale for apportioning grant spend against priorities**

*14 Sep: VCS Grants prospectus Co-design Working Group meeting*

### **Sep-Nov 2015 – Seek agreement to consult on draft prospectus**

16 Sep: DLT

29 Sep: SLT

14 Oct: Cabinet Agenda

3 Nov: Cabinet

### **Nov-Feb 2016 – Consultation with VCS and other stakeholders**

Estimated 23 Nov to 29 Feb

Jan: Scrutiny (as part of the Consultation)

### **March-May 2016 – Review, test & finalise Prospectus**

### **June 2016 – Seek Cabinet agreement**

### **July-Oct 2016 – Launch VCS Grants prospectus & run first grants application processes**

### **April 2017 – The first Prospectus grants start**