

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 23rd February 2016
Report of: Steph Cordon, Head of Communities
Subject/Title: Policy for Support to Voluntary, Community and Faith Sector Infrastructure Organisations 2016/17
Portfolio Holder: Cllr L Gilbert, Communities

1. Report Summary

- 1.1 As a Residents First Council, Cheshire East Council recognises the invaluable role the Voluntary, Community and Faith (VCF) Sector have in developing stronger communities across the borough.
- 1.2 Infrastructure organisations have an important role in assisting the VCF Sector to work within local communities.
 - They offer specialist advice and guidance, a range of training activities to help strengthen the sector, assist with volunteer recruitment and recognition, and help with writing funding bids and obtaining grant funding.
 - They enable the VCF to help the Council meet our corporate objectives and outcomes
 - They can act as a single point of contact, and are a source of skills and expertise that the Council can draw upon.
- 1.3 Work is ongoing to develop a VCF Commissioning Framework in 2016 which will inform a clear Policy. The revised policy attached at Appendix 1 sets out our ambitions on infrastructure support for the sector.
- 1.4 In order to bridge the gap it is proposed that a grant is awarded to Community and Voluntary Services (CVS) Cheshire East and Cheshire Community Action in order to maintain immediate support for one year whilst the new policy is implemented. This will allow VCFS Infrastructure Organisations to fulfil their outcomes and in turn enable Cheshire East to meet our corporate priorities. By developing a clear VCF Sector Commissioning Framework during 2016 we can go out to a competitive tender and mitigate the risk that State Aid becomes a consideration.

2. Recommendations

- 2.1 To commit to funding infrastructure organisations for one year only from April 2016.

- 2.2 To agree to award grant funding of £147,000 to CVS Cheshire East and £16,000 to Cheshire Community Action from 1 April 2016 until 31 March 2017. This to be subject to grant terms and conditions.

3 Other Options Considered

- 3.1 Funding support could be withdrawn for the sector, but this would significantly reduce their ability to meet outcomes from our corporate priorities.
- 3.2 A reduction in overall grant funding could be considered, as in previous years, by a small annual cut. This is not sustainable as it has been established that further cuts could not be absorbed without organisations reducing services or staff posts.

4 Reasons for Recommendations

- 4.1 The revised Support for Infrastructure Organisations Policy outlines the decision making process which justifies a direct award for the VCF Sector in 2016/17
- 4.2 In previous years funding provided by Cheshire East Council has enabled infrastructure organisations to maintain their core services whilst improving delivery. It is important that funding is maintained during 2016/17 so that organisations can continue to provide specialist advice, guidance and a range of training opportunities to help strengthen the sector, and recruit volunteers to support project delivery.
- 4.3 This in turn will ensure that support for local communities can be maintained whilst work is ongoing in relation to developing a VCF Commissioning Framework

5 Background/Chronology

- 5.1 Infrastructure Organisations have received grant funding from Cheshire East Council. This support has been informed by a Support for Infrastructure Organisations Policy, which has outlined the funding criteria required, and the expected outcomes.
- 5.2 Grants have been directly awarded to named recipients. These organisations have been able to provide high quality specialist and localised support and services to the VCF sector, and strategic support to partner agencies and organisations in both the statutory and private sector, when there has been no-one else in the market to deliver.
- 5.3 Previous grant funding has enabled organisations to achieve a number of outcomes for the benefit of local communities including: - the development of new voluntary organisations; delivery of specialist training for volunteers on a range of subjects; provision and implementation of the GRIPP good practice toolkit to improve services for the community; successful grant funding applications; coordination of volunteer activities and opportunities to

participate in volunteering; befriending and signposting services in rural communities.

5.4 The Support for Infrastructure Organisations Policy has been updated annually since 26 March 2012. Grant funding will be used to achieve the following outcomes:

- VCF Organisations are equipped with the right skills, knowledge and experience to be able to be commissioned by the Council
- The collective voice of VCF organisations and their users is fed into the Council to inform strategy, policy and service delivery for the benefit of local people
- Infrastructure organisations to provide a strong and effective representative role for the sector and advocate on their behalf to the Council
- Infrastructure organisations to provide a communication and consultation and engagement function with the sector on behalf of the Council when requested
- VCF organisations are supported to be able to diversify their income sources and become less reliant on the Council for funding
- VCF organisations are able to become even more resilient by the use of volunteers and the infrastructure organisations to actively facilitate this
- An emphasis to be provided on developing local VCF support where needed, which could be rural or in pockets of deprivation
- To ensure that all voices can be heard especially those that hard to reach.

6 Wards Affected and Local Ward Members

All

7 Implications of Recommendation

7.1 Policy Implications

Positive Impact

7.2 Legal Implications

7.2.1 In deciding whether to directly award a grant consideration must be given to the facts and circumstances in which a direct grant award is being proposed and be satisfied that in making a direct award the Council is meeting its public law duties.

7.2.2 The Council has the powers to award a grant to support the organisations using its general power of competence in Section 1 of the Localism Act 2011. In exercising the power to the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably.

7.2.3 There is currently no overarching Council policy/framework by which grant funding should be allocated and in principle a direct grant award can be made. The revised Policy for Support to Infrastructure Organisations sets out how Cheshire East Council intends to support infrastructure organisations, which assist the Voluntary, Community and Faith Sector (VCFS) across Cheshire East to achieve their aims and objectives, from 1st April 2016 to 31st March 2017.

7.2.4 In awarding a grant the Council cannot exhibit the same amount of control over the organisation as is commensurate with a contract. Essentially the terms of the grant should set out what the purpose of the grant is for and only claim claw back provisions in the case of the grant funding being used for other purposes or otherwise improperly. The Council will not be able to assess the quality of the services that are being provided and determine to withdraw grant funding on that basis (except at the end of the period of the grant funding).

7.2.5 Consideration must be given to State Aid implications of directly awarding a grant.

7.2.5.1 State Aid rules apply where:

- State resources are involved
- The beneficiary is involved in economic activity
- The beneficiary could get an advantage that they cannot normally get from the market
- The services are theoretically tradable across the Member states.

A scheme must meet all four of the above criteria in order to be considered to be State Aid. It is arguable that given the nature of the activity is such that it would not be of interest to other member states.

7.2.6 The revised Policy for Support to Infrastructure Organisations sets out how the Service has determined that the recipients (CVSCE and the CCA) are able to meeting the policy's criteria for funding. It goes on to state that no other infrastructure organisations operating within the Cheshire East area are to meet the criteria. In the event of a challenge, the policy provides some evidence to support the view that the beneficiaries are not being given an advantage (on the basis there is no market) a grant award is not State Aid.

7.2.7 It is noted that the Service intend to put in place a framework by the next financial year by which to determine how to engage with the VCFS and which

it is understood will involve consideration of the procurement of services contracts and competitive grant procedures. Competitive tendering will potentially negate State Aid issues in the future.

- 7.2.6 Continue to provide support to the identified recipients to deliver specialist advice and guidance during 2016/17 whilst a framework is put in place will ensure projects will continue to be delivered and expertise will be retained.

7.3 Financial Implications

- 7.3.1 The recommendations will enable a grant award for 2016/2017 to be funded within existing budget provision.

7.4 Equality Implications

- 7.4.1 Positive impact. Infrastructure organisations provide advice, guidance and examples of good practice.

7.5 Rural Community Implications

- 7.5.1 Positive Impact. Infrastructure organisations work closely with rural communities to provide support, advice and guidance

7.6 Human Resources Implications

- 7.6.1 Resources have been provided as part of existing staff job roles

7.7 Public Health Implications

- 7.7.1 There are no Public Health Implications

7.8 Other Implications (Please Specify)

- 7.8.1 There are no other implications

8 Risk Management

- 8.1 The risk of not agreeing a policy review is that policy may not be fit for purpose. To not agree to commit to funding infrastructure organisations in 2016/17 and loss of funding for infrastructure organisations means that the voluntary and community sector may not receive the specialised support they require in order to both continue and to thrive, resulting in a loss of community benefit.

9 Access to Information/Bibliography

- 9.1 Papers are attached as follows: -

Policy for Support for Infrastructure Organisations

10 Contact Information

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