

From: **Mike Hill - Cabinet Member for Community Services**
David Cockburn, Corporate Director of Strategic and Corporate Services

To: **Policy and Resources Cabinet Committee – 13 September 2018**

Subject: **Voluntary and Community Sector Policy – Progress 2015-2018**

Future Pathway of Paper: **N/A**

Classification: **Unrestricted**

Electoral Division: **Countywide - all divisions affected**

Summary

KCC's Voluntary and Community Sector (VCS) policy was agreed in September 2015. The policy set out KCC's future relationship with the sector and adopted a new grant framework for the Council.

P&R Cabinet Committee received a previous update on the policy in 2016, however this report gives an overview of the progress the Council has made over the 3 years since the policy was adopted and how this has influenced KCC's relationship with the VCS. The policy committed to a review by 2019-20 and this report highlights some of the considerations for any future refresh of the VCS policy.

Recommendation(s):

That the Policy and Resources Cabinet Committee note the progress of the VCS Policy.

1. Background

- 1.1 KCC's VCS policy was agreed in September 2015, following a 12-week consultation with the sector. The policy set out KCC's commitment to a future strategic relationship with the sector and recognised the role of the sector both as a provider of services but also the role it plays in keeping communities across Kent resilient.
- 1.2 The policy outlined the principles upon which KCC would support the sector to be both independent and sustainable but also to compete within a commissioning environment and established a framework to ensure a standardised and consistent approach to grant funding.
- 1.3 It was agreed that the policy would be reviewed by 2019-20 and an evaluation of the policy has recently been undertaken before a formal review early next year. This found that it has been largely successful, particularly in the implementation of a grant framework that has brought consistency to grant funding processes across the Council. It has also led to the development of greater intelligence and understanding of the wider sector in Kent and better engagement mechanisms with a more diverse representation of the sector.

2. Progress since the adoption of the Policy

- 2.1 The policy committed to a more strategic and less paternalistic relationship with the sector. The intention was for KCC's support and funding to be focused on helping the sector to be less dependent and more resilient. The policy made a commitment to grants within a commissioning approach. It recognised that grants play an important role in supporting organisations within the community in pursuit of their aims and for developing new and innovative approaches to delivering KCC outcomes. It also introduced a new grant framework for the Council, which has been welcomed across KCC and providers. Commissioners have said that the commitment to grants in the policy has been a useful recognition of the value of grants within the commissioning approach, whilst the standards have provided a helpful set of guiding principles for grant funding. This has enabled them to use these as a lever to move conversations on with the sector and improve their grant arrangements; opening grants up to open application processes.
- 2.2 The intention in the policy was to move towards a single grant pot for the authority to provide clarity to the sector about KCC's funding opportunities but also to ensure a clearer view of our investment and that grant funding was not being duplicated. It was also hoped that a single grant scheme could be used to recognise the role organisations play in our communities and as a mechanism for widening the council's engagement with the wider sector. However, there has not been an appetite to pursue this and instead the focus has been on establishing a clear set of principles and processes to allow the authority to monitor the impact of its grant funding. This has meant that KCC's relationship with the sector has to a certain extent continued to be dominated by funding relationships between commissioners and organisations that provide services or support their clients. Nonetheless a series of networking events established when the policy was adopted have helped to widen out engagement between KCC and the sector. These events have been run twice a year in partnership with KentCan and have been successful in attracting a diverse range of organisations who by and large have no funding relationship with KCC, which has been greatly welcomed by the wider sector.
- 2.3 Over the past 3 years since the policy was adopted work has been undertaken to develop a charities dataset for Kent and analysis of this has been previously shared with the Committee, the latest version of this analysis is attached at Appendix 1. This dataset was developed to enable KCC to have a better understanding of the wider voluntary sector in Kent and not simply those we have a financial or commissioning relationship with, in line with the VCS policy. It has enabled us to not only understand the complexity and scale of the sector but to have a greater level of intelligence on KCC's contribution to the sector and the sector's overall income and growth. This data has provided a useful insight for commissioners and would be helpful in shaping the development of any future VCS policy.
- 2.4 The policy set out KCC's future offer of support to the sector, which formed the basis of the infrastructure contract, which was commissioned for three years, beginning January 2017 and ending December 2019. There are two possible one-year extensions within the contract. This contract is being delivered by a consortium of organisations, which make up Stronger Kent Communities CiC. The contract specified the need for this to become a self-sustaining model of support, enabling the sector to have access to support long term, beyond the life of the contract. It was intended for this contract to provide the mechanism for achieving the strategic relationship with the sector that the policy committed to, in particular by facilitating wider engagement and representation of the sector.
- 2.5 Over the first year of the contract, progress has been made in establishing the governance and operating model of the consortium, which contains 11 organisations, and establishing direct service delivery in relation to business

support and volunteering and social action contract outcomes. This has included: generating income of £1,257,492 for the Kent economy through supporting grant applications by voluntary sector organisations, 4839 hours of face to face training or mentoring to over 620 organisations to develop business skills, supporting 448 organisations to recruit, train and retain volunteers and the creation of 369 volunteering opportunities. In addition, 31 networking events have been held across the county, attracting 1779 participants from 719 different organisations.

- 2.6 The consortium's focus for year two is on delivering the strategic outcomes of the contract, future financial sustainability and branding. Although great progress has been made, more could have been done in terms of a provider taking a lead within the consortium and moving towards a self-sustaining-model. This was required given that there are 11 organisations, partly funded through the contract, who must reach agreement and Chief Executive Officers that are responsible for both the delivery of the Stronger Kent Communities contract, and activity specific to their individual organisations. To this end, the consortium is employing a Chief Executive Officer to support the strategic and financial development of the consortium itself, rather than its' constituent parts and this will be an important step forward for the consortium.
- 2.7 The contract is being monitored by officers within Strategic Commissioning and any decision to utilise extension clauses will be determined by the degree to which outcomes are being achieved and progress towards a self-sustaining financial model.

3. Next Steps and future considerations

- 3.1 It is proposed that the VCS policy is formally reviewed early in 2019-20, in line with the commitment made. It is likely that this will be a refresh, ensuring that the policy is still in line with national policy and reflects the current challenges and opportunities facing the sector. However, it will also be important to reflect on the type of relationship that the Council wishes to have with the sector going forward. In particular, if there is still a commitment to having the strategic relationship with the sector that the policy sought and not simply to engage with those organisations who we have a funding or commissioning arrangement with. If this is no longer seen as a priority, then the need for a VCS policy as it currently stands would be diminished.
- 3.2 The creation of the new Strategic Commissioning function, which was not in place when the policy was agreed, presents a new opportunity to strengthen the grant framework in the policy and the grant standards subsequently developed. It has been recommended that this function, more specifically, the Commissioning Support and Standards team should now be responsible for overseeing KCC's grant standards building on the work already developed and build this into the commissioning standards developed for the authority.
- 3.3 As noted in section 2.6, the infrastructure consortium is now in the 2nd year of the 3-year contract. Whilst there has been a great deal of activity undertaken the focus must now be on ensuring the model of support is sustainable. It will be important that the consortium now work together to develop the funding and business model to ensure that the offer can meet the diverse needs of the sector over the medium and long term. The officers responsible for the contract will continue to work with the consortium to ensure that this is delivered and that the sector has access to the support it needs in the future. This contract is vital to achieving the strategic engagement and relationship, which the policy envisioned and therefore the alignment of that contract and the policy will need to be considered when the policy is reviewed.

3.4 The Office for Civil Society in the Department for Culture Media and Sport has recently consulted on a new Civil Society Strategy and this is due to be launched in the autumn. This will provide an overview of the government's vision for their future relationship with the voluntary sector and will provide important context for the future review of the VCS policy.

In addition, the Government has restated their commitment to the grant standards launched in 2016 and these have now been replaced by a single 'Government Functional Standard for General Grants, to bring them in line with other Cabinet Office standards. There has also been a shift in rhetoric from government regarding the use of grants, as part of its commitment to making the sector more sustainable, with a particular focus on small and local organisations and further emphasis placed on social value in the commissioning process, which is likely to feature in the future strategy. This will provide important context when looking at KCC's future funding relationship with the voluntary sector in Kent and any refresh of the policy will need to consider this.

3.5 The review of the VCS policy will provide an opportunity to re-test the commitments made in 2015 and to re-consider the Council's relationship with the sector. In particular whether the wider strategic relationship with the VCS continues to be a priority or whether KCC's relationship with the VCS in the future is focused on its commissioning relationship.

Recommendations:

That the Policy and Resources Cabinet Committee note the progress of the VCS Policy.
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5. Background Documents

Appendix 1- Headline Analysis on the VCS in Kent

6. Contact details

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