

From: David Cockburn, Corporate Director of Strategic and Corporate Services

Mike Hill, Cabinet Member for Community Services

To: **Policy and Resources Cabinet Committee- 16 January 2015**

Subject: **Draft KCC VCS Policy for Consultation**

Classification: **Unclassified**

**Past Pathway of Paper:** CMM/CMT

**Future Pathway of Paper:** Policy and Resources Cabinet Committee

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

**Summary:**

The LGA Peer Challenge recommended that KCC develop a VCS (Voluntary and Community sector) Policy or Strategy. Following agreement from CMT and CMM a small cross directorate officer working group convened by Corporate Policy, have been developing the policy.

It was agreed in June 2014 that Mike Hill, supported by Graham Gibbens and Mark Dance would be the lead Cabinet Member for the development of the policy and that the Cabinet Members would report back on progress.

A draft of the policy has now been written (Appendix 1) and is brought to Committee for discussion as part of the open engagement process. If agreed it is proposed that there is now a period of formal public consultation on the draft.

**Recommendation(s):**

Policy and Resources Cabinet Committee is asked to:

1. Comment on the draft VCS policy
2. Agree to public consultation on the draft, with a focus on the proposed consultation questions.

**1. Introduction**

**1.1 National Context:**

1.1.1 This policy has been developed within the context of unprecedented financial challenge and a dramatically changing public sector landscape. It recognises the shift in relationship between the VCS and statutory bodies and the changing funding environment.

1.1.2 The policy recognises that the sector has been responding to the challenges it faces by diversifying and re-evaluating the support it needs, to adapt to its new environment. For some organisations this has meant exploring social investment as an alternative funding stream, for others they have rebooted their fundraising strategies and indeed a proportion of the sector have developed their business model and successfully entered the competitive market.

1.1.3 It is this backdrop of change which makes it ever more important for KCC to re-evaluate its future relationship and support to the sector and it is this which has driven the development of the policy.

## **1.2 Local context:**

1.2.1 The LGA Peer review recommended that KCC develop a VCS strategy or policy. It was agreed that the development of a policy would support our move to become a strategic commissioning authority, establishing the principles of our future relationship with the sector and ensuring consistency in our approach. This policy will be a key strategic document within KCC's Policy Framework.

1.2.2 Given the breadth of KCC's relationship with the VCS, a cross directorate working group has developed the policy consisting of representatives from Adult Social Care, Growth, Environment & Transport, Children's Strategic Commissioning and Public Health. A member-working group has also supported the development of this policy led by Mike Hill supported by Graham Gibbens and Mark Dance.

## **1.3 Scope of the policy**

As set out in *Facing the Challenge* and recognised through the work of the Select Committee on Commissioning, the VCS in Kent plays an important role not only in the delivery of services but within local communities, providing resilience to families and individuals. The VCS policy therefore encompasses the entire sector and describes a relationship and offer of support that recognises this diversity.

1.2.4 However, what binds these different relationships is our grant funding framework, which we recognise has a role to play in both supporting small organisations within the community in pursuit of their aims, as a lifeline for new organisations and for funding services, where appropriate.

1.2.5 Similarly, social value is not only considered in our relationship with the sector as a provider, in response to the Social Value Act but our offer of support to the entire sector is underpinned by an understanding of the inherent social value of the VCS.

## **2 Policy approach**

### **2.1 A vibrant Civil Society in Kent**

2.1.1 The majority of the VCS in Kent have no financial relationship with the local authority. Nationally only a quarter of voluntary organisations have a direct

relationship<sup>1</sup> with the state and Kent is no exception. However, our policy recognises that the wider VCS is rooted in the local community, at the heart of civil society and that these organisations play a vital role in the resilience of communities, supporting people and building community capacity. In this context KCC values the wider VCS and whilst it may not have a direct relationship with a large proportion of the sector it has an interest in ensuring the sector is sustainable and continues to thrive. However, there is a fine balance to be struck between ensuring the sustainability of the sector and interfering in a way that is detrimental to the sector achieving its own outcomes and objectives

2.1.2 Currently KCC supports the wider VCS through the infrastructure organisations that are funded by Adult Social Care. They deliver a range of support services to the voluntary sector and a general offer of support, which includes:

- Signposting to funding opportunities
- support with fundraising
- governance and policy development
- information and legal structures
- networking
- community development
- accountancy and secretarial support
- room hire

2.1.3 KCC also provides information to the sector such as Inside Track, which highlights a range of different fundraising opportunities. We also work with the sector through partnerships and consider the advice, support and information sharing driven through these as an important part of our infrastructure offer. There is also financial support to Volunteer Centres through Adult Social Care in recognition of the role of volunteers and its positive impact.

2.1.4 However, nationally there has been much debate about the type of support the sector needs in the future and NAVCA (national association for voluntary and community action) have launched a survey to find out about the help charities need and announced an Independent Commission to look at the future of local infrastructure, with a final report launched in early 2015. Locally we have recognised that as the sector's needs evolve, we should review our infrastructure support to ensure that it continues to be fit-for-purpose.

2.1.5 Whilst the policy sets out our commitment to providing infrastructure support to the wider sector we propose to consult on the sectors future support needs through our engagement on the draft policy and to review our infrastructure support on an on-going basis.

2.1.6 Proposed Consultation Questions:

**1) What are the future support needs of the wider VCS in Kent?**

**2) What is the best way of meeting these needs?**

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<sup>1</sup> NCVO The UK Civil Society Almanac 2014

## 2.2 Our strategic relationship with the Sector

- 2.2.1 The policy recognises the important role that a proportion of the VCS play in delivering services to both vulnerable client groups and the wider population. In this context KCC has a direct financial relationship with a proportion of the VCS who help us to achieve our strategic outcomes and objectives.
- 2.2.2 The VCS therefore has a key role to play within the commissioning approach and our strategic relationship with the sector will need to reflect this. In this way the commissioning framework is inherently linked to the VCS policy. However, the VCS also hold a huge amount of intelligence about the way our services operate and about our communities and residents and therefore the policy sets out our expectation that commissioners engage the sector within the commissioning cycle.
- 2.2.3 Perhaps more importantly whilst the sector is well placed to deliver services the policy recognises the challenges facing the VCS within an increasingly competitive market of public service delivery. Our duties under the Care Act; to promote diversity and quality in the market of care and support providers, has led to the development of the STAMP programme (Sector Training and Mentoring Programme), which offers support to the sector to help grow the VCS market. However, this is currently restricted to social care and public health services. We have therefore set out in the policy our commitment to market development support but through the draft policy consultation we will consider what this looks like post STAMP, which is funded for 18months.

### 2.2.5 Proposed consultation question

**3) What are the sector's support needs in terms of market development post the current arrangement?**

## 2.3 Grant Framework

- 2.3.1 The policy recognises that grants still have a place within a commissioning model. However, the absence of a standardised approach to grant funding has created confusion across the sector and inconsistent practice across the authority. Under *The Local Authorities (Data Transparency Code)* KCC is required to publish annually (from February 2015) the details of all its grants, and therefore ensuring we have robust internal processes in place is ever more important in enabling us to track our investment.
- 2.3.2 The policy therefore sets out the principles from which commissioners across KCC will award grants, to ensure that there is consistency and equity in our grant funding and that we are not funding the same need twice.
- 2.3.3 The grant framework provides a bridge between the different parts of the VCS, recognising that both innovation and strategic grants can support different parts of the sector in different ways.
- 2.3.4 Proposed consultation questions:

**4) Will the proposed grant definitions be useful for allocating grant funding in the future?**

**5) Does the proposed grant framework ensure grants are accessible and transparent?**

**3. Early engagement with the sector:**

3.1 At the request of the Member working group, officers have undertaken some early and informal engagement with a small number of VCS organisations.

3.2 Predominantly this engagement was around our grant framework proposals but discussions have also helped shape our proposals around both infrastructure and market development. Importantly those organisations that have been engaged gave positive and informative feedback around the grant proposals and did not raise any significant risks.

**4. Next Steps:**

4.1 It is proposed that we carry out public consultation on the draft policy, targeted at the VCS and particularly focused on the consultation questions set out. This will inform the development of the final policy, which will go to County Council for approval as part of KCC's policy framework.

**5. Recommendations:**

Policy and Resources Cabinet Committee is asked to:

1. Comment on the draft VCS policy

2. Agree to public consultation on the draft, with a focus on the proposed consultation questions.

**6. Appendices:** Appendix 1 Draft VCS Policy for consultation

**7. Contact details**

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