

From: Mike Hill- Cabinet Member for Community Services
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To: **Policy and Resources Cabinet Committee – 8 September 2016**

Subject: **Implementing KCC's VCS Policy- update report**

Classification: **Unrestricted**

Past Pathway of Paper: Cabinet Members and Corporate Management Team

Future Pathway of Paper:

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 requested an annual update on the progress of the policy and this report outlines the work which has been undertaken over the past year to deliver the policy commitments.

Recommendation(s):

For Policy and Resources Cabinet Committee to:

- 1) Note the progress of the VCS Policy
- 2) Comment on the progress to date

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. The policy also introduced a new grant framework for the Council.
- 1.2 Some of the key concerns voiced by the sector during the consultation process were that information regarding grants was not widely available, application processes varied and that short term 12 month grants had destabilised the sector. The perceived lack of transparency and information around grants had led to a belief that grants went to the same organisations year on year and that there were 'insider' and 'outsider' VCS organisations.

- 1.3 The new grant framework introduced in the policy sought to deal with these issues in a number of ways. Firstly, it introduced standardised grant definitions for the Council and committed to developing a standardised and proportionate grant application form, to ensure there would be consistency in our approach to grants. Secondly, it committed, where possible to awarding grants over a 3 year period rather than 12 months. Finally, the commitment to developing a single grant prospectus for all KCC grants would help to ensure that information about grants was available to a wide range of organisations, providing an overview of the type of grants available within KCC and setting out our standardised approach to grants, which had previously been criticised as fragmented.
- 1.4 A cross directorate group of commissioners was established shortly after the policy was agreed, to take forward key pieces of work. This includes representatives from Children's (Early Help and Disabled Children), Adult social care, Public Health and various representatives from GET including - Sport, Arts and Culture and Village Hall Grants.

2 Progress September 2015- September 2016

2.1 Developing our intelligence to inform our strategic relationship with the sector

- 2.1.1 The policy committed to establishing a more strategic relationship with the voluntary sector in Kent; one which placed equal importance on both those organisations KCC has a direct relationship with through funding but also the wider sector across Kent. Whilst the contribution of the VCS was clearly recognised within the policy, the local intelligence held on the sector was found to be lacking. Whilst commissioners had a good understanding and relationship with their local VCS market, there was no comprehensive understanding of the wider sector's contribution, or our collective investment in the sector.
- 2.1.2 As a result, since the policy was agreed we have been working to develop our local data and build a picture of the sector in Kent. The dataset we have subsequently developed includes data held on the Charity Commission's Register of Charities in England and Wales (for active, registered charities in Kent) combined with our own financial data on KCC spend with the VCS.
- 2.1.3 The policy introduced a new grant framework for the Council, to offer consistency in our approach to grants and to enable the council to better report and monitor the impact of its grant funding to the VCS. Since 2015, KCC has been required by the local Government Transparency Code, to publish a grants register on its website setting out details of all grants (with no threshold). Previously this has been a manual exercise by Finance to collate the information; however through a consistent approach to both awarding and recording grants, this can now be automated through KCC systems. Furthermore, since May 2016 charity numbers are being used as a unique identifier across our supplier database, which will enable us to report on our collective contribution to both individual organisations and to the sector as a whole. Processes have also been put in place to ensure that all our grant funding is now aligned to our strategic and supporting outcomes and reported

in this way. This work is however in its early stages and whilst it is already providing a much improved dataset, it remains work in progress.

KCC's Grant Funding:

Our grant funding to the VCS from 2014/15 to 2015/16 has remained relatively stable with a slight increase in the last year, £16.4m to £17m respectively. These figures include both Kent, national, regional and international registered charities, however, the majority of KCC grant funding went to charities based mainly in Kent; £14.1m of the total spend. Whilst these figures do show a slight increase in grant funding it must be emphasised that this could be due to improved reporting. Furthermore, whilst the policy sets out very clearly the agreed definition of a grant, we of course need to allow for a transition period and therefore some existing grants may not meet the agreed grant criteria. This enhanced data will however allow us to track progress and monitor our grant funding to ensure future grants are in line with the policy.

KCC's grant funding by strategic and supporting outcome:

KCC Outcomes	Grants 2014-15	Grants 2015-16
Children and young people in Kent get the best start in life	1,044,917	1,243,345
Achieve potential through education	320,400	310,000
Keep families, children and young people out of crisis and care	12,764	30,186
Resilient families providing strong, safe environments		132,928
Young people are confident and ambitious with access to opportunities	711,753	770,232
Kent communities feel the benefit of economic growth by being in work, healthy and enjoying a good quality of life	4,270,136	5,145,597
Benefit from economic growth and lower deprivation	110,803	1,037,880
Business growth is supported		25,463
Good quality of personal and community life	4,159,333	4,082,254
Not specified	1,174,557	
Not specified	1,174,557	
Older and vulnerable residents are safe and supported with choices to live independently	9,817,211	10,674,479
Access to advice, information and support for carers and families	2,078,020	2,078,020
Choice & control in health and social care	2,498,393	2,563,052
Mental ill health and dementia early diagnosis and support	689,406	689,406
Older people feel socially included	4,670,849	5,479,450
Grand Total	16,426,278	17,198,869

2.1.4 More broadly, combining this financial data with the Registered Charities data, gives us a more sophisticated understanding of the VCS as a significant

sector in Kent and its impact on the local economy. This allows us to benchmark the local VCS with national trends and understand the influence of our funding on the sector as a proportion of its total income. In turn this will enable a more informed discussion about both our future commissioning and our strategic relationship with the VCS in Kent.

2.1.5 An initial report on the data has been developed and is provided as *Headline Analysis on the VCS in Kent* in *Appendix 1*. Further analysis will be taking place now the dataset is in place and annual updates on the VCS in Kent will be available.

2.2 Standardised grant application process

2.2.1 To support a consistent approach to grants, the policy committed to a standardised grant framework and application process. A grants management guide has been developed for all staff to support embedding this and a standardised application form has been developed. Previously there were a range of grant forms in use across the Council, which varied in complexity. These have now been reviewed and consolidated into one standardised online form- this can be requested in additional formats if required. Recognising that each grant will have its own specific requirements the form combines a standardised dataset with the flexibility to meet local requirements, in particular variations between capital and revenue grants.

2.2.2 As most grant schemes have application forms in place and most application processes began in December 2015 for 16-17 grants, it was not possible to transition all grants over to the standardised form for this year. For 16-17 the application form is therefore being used by the Early Help and Preventative Services grant, Dementia Friendly Communities and sports capital grants. However, the intention is that by 17-18 all VCS grants will use this application format.

2.2.3 To ensure that grants are being used consistently and in line with the VCS policy, a revised, standardised grant agreement has also been developed and is starting to be rolled out across the Council.

2.2.4 The policy also committed to developing a KCC grant prospectus outlining all grants available across KCC. A template has now been designed, which each commissioner is required to complete outlining any grant funding they have available for the VCS. A first draft of the Prospectus is now available on the Community Grants page on Kent.gov (*Appendix 2*), which is being developed to host all KCC grants and applications. As this is a live document, new grants will be added as they become available during the year and some grants will close before the document is refreshed at the end of each financial year.

2.2.5 We will continue to monitor compliance as the grant framework is embedded across the Council and are putting measures in place to ensure that we can review progress in terms of a consistent approach to applying, agreeing and reporting grants across the Council.

2.3 Facilitating cross sector engagement and networking

2.3.1 One of the key pieces of feedback from the policy consultation was a request for KCC to have a more equal and less paternalistic relationship with the sector. It was felt that KCC's role should be to provide opportunities for organisations from within the VCS but also across sectors – private and public, to share ideas, exchange information and skill share. Rather than KCC leading the engagement, it should be part of the engagement and should lead the way in bringing partners together.

2.3.2 In response to this a free networking event was held on 9 March at the Gallagher Stadium in Maidstone, supported by KentCan (a Kent based social enterprise) and hosted by Mike Hill (Cabinet Member for Community Services), which brought together organisations from across the VCS, private and public sector. The format of the morning was very informal and provided organisations with the opportunity to meet a range of organisations from across different sectors and service areas. The event sold out within 3 days of advertising and over 100 organisations attended on the day. The feedback was very positive, particularly that the event provided people with a rare opportunity to meet new organisations from different sectors and exchange ideas as equal partners. It was therefore suggested that KCC should look to facilitate these events on a regular basis.

2.3.3 It has now been agreed that these events will be held twice a year and will continue to be focused on collaboration, cross sector partnership and learning from others, it is hoped that through this network we can encourage other cross sector networking opportunities to develop independently. The next event is to be held at the end of September and will include a short presentation from the National Council for Voluntary organisations (NCVO).

2.4 Support to the sector

2.4.1 The policy set out KCC's commitment to providing support to the VCS in the future and the high level principles that would underpin this support. These principles were informed by the feedback from the policy consultation and were clear that the model of support must be reviewed to ensure it was fit for purpose, flexible independent and sustainable. The policy therefore identified two broad areas of support, namely:

- To support the VCS to respond to communities' needs
- To support the VCS as a key partner in delivering services on behalf of KCC

2.4.2 Since the policy was agreed, a cross directorate group led by adult social care, who have historically commissioned infrastructure support to the sector, have been co-designing a new support model alongside a range of representatives from across the sector. This has involved both current providers of infrastructure support funded by KCC and organisations who are not funded by KCC but who independently provide support to the sector.

2.4.3 A proposal for a new model of support went to Adult Social Care and Health Cabinet Committee on 12 July and a new service is now being procured. The contract is called 'Strengthening Community Organisations in Kent' and is an outcome based contract (*Appendix 3*). The contract will be based on alliance contracting principles. The new contract should be in place from January 2017.

2.4.4 Alliance principles are based on each partner being equal, a shared performance framework, aligned objectives, shared risks and a collective accountability to deliver outcomes. Sub-contracting is also encouraged in order to meet outcomes. This particular model will provide a platform for KCC to engage strategically and provide a conduit for exchanging ideas, information and intelligence with the VCS.

3. Next steps

3.1 Whilst much progress has been made over the past 12 months to embed the VCS policy, further work will continue to ensure that the policy is adhered to and the grant framework is embedded across the Council.. As grants come to a natural end and new grants are made available we expect the standardised grant application to be in use across the Council, for all commissioners to be using the standardised grant agreement and grants to be reported appropriately.

3.2 The enhanced reporting of grants data will enable us to monitor more accurately how grants are being used across the authority and therefore our progress against the policy and we will continue to report on compliance. The wider dataset which has now been developed will provide valuable intelligence to inform our commissioning and understand the impact of our funding on the sector. Although perhaps more importantly it will enable us to understand the changes and evolutions which are taking place within this significant sector in Kent and analysis will therefore continue. It is proposed that the data in the Headline report will be refreshed on an annual basis.

5. Recommendations:

For Policy and Resources Cabinet Committee to:

- 1) Note the progress of the VCS Policy
- 2) Comment on the progress to date

6. Background Documents

Appendix 1- *Headline Analysis on the VCS in Kent*

Appendix 2- Grant Prospectus

Appendix 3- Infrastructure contract outcomes

7. Contact details

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Appendix 3: Infrastructure Contract Outcomes

After recent engagement events, the future contract for support to the voluntary sector will cover a range of outcomes. These align to the high level outcomes identified in the VCS policy, support KCC's strategic aims and reflect the needs of the sector identified in the policy consultation.

The overarching aims are that the contract:

- Supports the VCS to respond to communities' needs
- Supports the VCS as a key partner in delivering services on behalf of KCC

Business Support Outcome: Kent's voluntary sector is supported to grow and develop, enabling local residents to enjoy a good quality of life, and more people to benefit from greater social, cultural and sporting opportunities.

- The sector is supported to develop organisational skills and knowledge and its longer term financial sustainability.
- The voluntary sector has access to a sustainable model of support that meets its needs.
- The voluntary sector is supported to understand and demonstrate their impact and social value.

Volunteering and Social Action Outcome: Volunteering is regarded as a valuable opportunity for individuals to contribute to their community and is accessible to all regardless of their skills or time capacity.

- Voluntary organisations are supported to recruit, manage and coordinate their volunteers.
- Voluntary organisations are supported to create opportunities for those who wish to engage in social action which reflects local needs and wants.

Strategic Outcome: Voluntary sector organisations are well informed and understand the priorities of Kent County Council, as set out in the Strategic Statement.

- Kent's voluntary sector is supported to achieve its charitable aims, recognising the role that the sector plays in building community capacity, utilising local assets and developing healthy communities.
- The voluntary sector is supported to recognise and promote healthy lifestyles, public health messages (including for their paid and voluntary workforce) and to support the reduction of health inequalities.
- There are opportunities for networking and collaboration across the VCS and with other (including private) sectors to share best practice, resources and develop initiatives.
- The voluntary sector in Kent is well represented and there is an efficient communication and information channel in place across the sector, and between the sector and public sector organisations.