

**REPORT TO THE COMMUNITIES SCRUTINY PANEL
MEETING ON 24th MARCH 2022**

Status: *For discussion*
Title: *Review of Voluntary Sector Strategy*
Originator: *Tom Day, Community Partnerships Service Manager*
Where from: *NA*
Where to next: *Cabinet*

Objective: *To review and input into the refresh of the Voluntary Sector Strategy.*

1. Outcome sought from Panel
 - 1.1 To feed into the review of the Voluntary Sector Strategy
2. Background
 - 2.1 In 2015 the Council agreed its first Voluntary Sector Strategy to guide the Councils engagement and relationship with the sector and provide a strengthened policy framework. A copy of the Strategy is attached at Appendix A.
 - 2.2 This was developed in the context of reductions in Council funding which meant that it may not have been possible to maintain funding support levels at the time. It was therefore important for the Council to consider its resource allocation in a strategic and joined up way to ensure maximum outcomes and value for money.
 - 2.3 The Voluntary Sector Strategy 2015 builds on the role of the Council as an ‘enabler’ – helping the community to meet its own needs, opportunities and problems in the most effective way, rather than the Council being the default provider of services. The aim was to ensure a variety of support mechanisms are available from the Council to help build capacity and sustainability in the voluntary and community sector and ultimately reduce the need for Council support over time.
 - 2.4 There were a number of workstreams that came out of the Strategy which the Council has been working towards for the last 5 years. These are summarised in the Action Plan 2015-2020 at Appendix B.
- Covid-19
 - 2.5 The response from the VCS sector to support local communities during the pandemic has been tremendous, ensuring that the most vulnerable in society have

been supported to access food, medicines and to stay connected with the outside world. VCS groups in Harborough District have risen to this challenge with support from foodbanks, groups coordinating activity in their locality, and volunteers offering time to support the most vulnerable. This work has been supported by the Council through providing emergency grants and coordination of support through the Councils Community Hub. This has created new partnerships between the Council and the VCS, particularly foodbanks and groups that can support residents with low level mental health risks.

Transformation (BC25)

- 2.6 During early 2020/21, the Council identified that it was facing an annual budget gap of £4m per annum. In response to this the Council is undertaking a transformation programme which started in 2021 with Budget Challenge 2025. The objective of this Council wide project was to realign services, via a systematic programme of service reviews, to enable the Council to deliver its services in a cost effective and financially sustainable way, but at a cost considerably lower (estimated to be £4m/30%) than current of next expenditure.
- 2.7 The programme identified £3.009m of savings over the MTF5 period to 2025. Whilst this did not meet the initial estimated gap of £4m (75% achieved) the programme has moved the Council significantly towards the goal of a sustainable budget and significantly reduced the reliance on reserves.
- 2.8 The outcome of the review in terms of VCS support is set out below in table 1.

Table 1. BC25 decisions relevant to the VCS	Savings £'000
That the voluntary sector strategy is updated to meet the new challenges of a post-covid world; retaining the vision that HDC should have an 'enabling role'.	0
The Council undertakes a review of grants in Q1 of 2021/22 with a target of 30% savings (£30,000) for 2022/23 year. Charities to be given a minimum of 9 months' notice of any reduction in funding.	30
The Council banks the income from the Harborough Lotto for 2021/22 onwards.	7.5
The Council invests time in growing the lotto with a gross annual sales target of £100,000 by 2023/24. This could raise £50,000 for good causes.	5.5
The community grant budget is phased out by 2023/24 subject to the Harborough Lotto meeting growth targets (below) i.e. be raising £50,000 per year for local groups by 2023/24. Note the community grant is funded from New Homes Bonus which is coming to an end.	50
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- 2.9 Work is now underway to deliver BC25 decisions and achieve the required savings. Attached at Appendix C is an updated Voluntary and Community Sector Strategy. This has been developed in context of BC25 but also the positive work that has arisen from the pandemic. Positives include need to support communities and residents to recover from covid through building on new relationships with the VCS,

particularly in areas such as mental and financial wellbeing and food poverty. The objective will be to prioritise budgets and support to VCS organisations that align with the new vision and priorities and meet identified needs in the community.

- 2.10 To support the achievement of 30% savings in the Core Grant budget the Council has commissioned Voluntary Action Leicestershire (VAL) to review the provision of services that are core grant funded; to better understand community need across the district and support the development of the VCS Strategy. Core Funded organisations were interviewed as part of the development of this work.
- 2.11 VAL have now submitted their report which is attached at Appendix D. This outlines a number of options that the Councils could consider in order to achieve the savings target along with recommendations for further work that may be helpful in developing and implementing the new VCS strategy. The Council now needs to consider the content of this report.
- 2.12 The target date for the introduction of the replacement grant process for core grants is 1 September 2022. Current Core funded organisations were notified of this implementation date in December 2021. Organisations were advised that the new system could look very different but the impact on individual organisations could not be quantified. The options in the VAL report vary greatly in terms of their impact on current funded organisations.
- 2.13 The overall direction moving forwards is towards a commissioning approach and awarding multi-year funding which is outcome focussed and have clear performance expectations.
- 2.14 In terms of the Harborough Lotto this continues to develop towards its target with current performance summarised in Appendix B.

3 Points for discussion

- 3.1 To review and comment on progress in delivering the VCS Strategy 2015-20.
- 3.2 To review and comment on the draft VCS Strategy 2022-2027.
- 3.3 To review and comment on the VAL Report which will inform the review of Core Grant Funding.

4 Equality Impact Assessment Implications/Outcomes (attach completed EIA)

- 4.1 An EIA for the review of core grants is set out at Appendix E.

5 Impact on Communities

- 5.1 The voluntary and community sector is a key partner to the Council and plays a vital role in supporting and enriching local communities.

6 Legal Issues

- 6.1 Section 2 of the Local Government Act 2000 gives the local authority the power to give support to organisation(s) which promote the economic, environmental and social wellbeing of their area, which includes incurring expenditure.

7 Resource Issues

- 7.1 There are no financial implications arising from this report. BC25 Savings and income set out in 2.8 have already been agreed by Council.

8 Community Safety Implications

- 8.1 There are no community safety implications arising from this report.

9 Risk Management Implications

- 9.1 The Council should look to ensure it is meeting the needs of the local voluntary and community sector within available resources and achieving maximum value for money.

10 Consultation

- 10.1 Core funded organisations have been consulted by VAL as part of their report.

11 Background Papers

- 11.1 Voluntary Sector Strategy, Executive, 19 October 2015
- 11.2 Draft Voluntary Sector Strategy, Community Leadership Panel, 10 September 2015
- 11.3 Review of VCS Strategy, Communities Scrutiny Panel, 30 September 2021
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Previous report(s):

Information Issued Under Sensitive Issue Procedure: Y/N

Appendices:

A. VCS Strategy 2015-2020

B. VCS Strategy Action Plan 2015-2020

C. Draft VCS Strategy 2022-2027

D. VAL Report on Core Grant Review

E. EIA on Core Grant Review