

HIGH PEAK BOROUGH COUNCIL

Individual Executive Decision for comment by 31 March 2022 (please send all comments to democratic.services@highpeak.gov.uk)

1 April 2022

TITLE:	Derbyshire County Council Review of the Voluntary and Community Sector
EXECUTIVE COUNCILLOR:	Councillor Anthony McKeown- Council Leader HPBC
CONTACT OFFICER:	David Smith - Head of Communities and Climate Change
WARDS INVOLVED:	All

Appendices Attached – Appendix A: Draft Consultation Response

- 1. Reason for the Report**
 - 1.1 Derbyshire County Council is undertaking a consultation of Voluntary and Community sector (VCS) grant funding. The report provides the background to the review and outlines the implications for High Peak.
- 2. Recommendation**
 - 2.1 That the Executive Member notes the contents of the report.
 - 2.2 That the Executive Member approves the response to the County Council's consultation shown at Appendix A.
- 3. Executive Summary**
 - 3.1 Derbyshire County Council undertook a review of its funding for the Voluntary and Community Sector (VCS) and subsequently consulted on its proposals for new funding arrangements in 2019. The review was put on hold, and funding arrangements were extended, by the County Council to allow further time to finalise proposals. Two update reports were presented to DCC's Cabinet on 6 December; one considered the recurring grants to the VCS, and the second considered VCS infrastructure provision. Following the report, the County Council opened a further consultation on VCS grant funding which runs until the 23 March 2022.

- 3.2 Under the proposals, High Peak would experience a 43% reduction in expenditure on infrastructure support, recurring funding for project delivery will cease and be replaced by commissioned services, and funding some services will cease (possibly as early as November 2022).
- 3.3 The County Council has asked for feedback on its proposals and a draft response is provided at Appendix A. In brief, it is suggested that the County has failed to distinguish between service deliver and infrastructure support in High Peak, the proposed criteria for deciding on future funding are unclear, and services to local communities will be affected at a time when the needs for such services remains high.

4. **How this report links to Corporate Priorities**

- 4.1 The proposed response would support Aim 1: Supporting our communities to create a healthier, safer, cleaner High Peak

5. **Alternative Options**

- 5.1 The Council does not respond to the consultation – This is not recommended due to potential impact

6. **Implications**

6.1 Community Safety - (Crime and Disorder Act 1998)

None

6.2 Workforce

None

6.3 Equality and Diversity/Equality Impact Assessment

The County Council has completed an EIA in relation to its proposals.

6.4 Financial Considerations

Derbyshire County Council are proposing cuts in funding to Voluntary and Community Sector organisations in High Peak. This may affect services to vulnerable people, and increase the demands for support by the Borough Council.

6.5 Legal

None.

6.6 Sustainability

None.

6.7 Consultation

Derbyshire County Council are consulting on its proposals. The Borough Council has spoken to representatives of the local Voluntary and Community Sector in drafting its response to the consultation.

6.8 Risk Assessment

The proposed cuts make increase demands for services from some sectors of the community.

Neil Rodgers
Executive Director (Place)

Web Links and Background Papers

Voluntary Sector Funding DCC Consultation, High Peak Borough Council Individual Executive Decision, 24 April 2020

<https://democracy.highpeak.gov.uk/documents/s16960/AEM%20Voluntary%20Sector%20Funding%20DCC%20Consultation%20report%20V2.pdf>

Working with the Voluntary, Community and Social Enterprise (VCSE) Sector, High Peak Borough Council Executive Report, 1 April 2021

<https://democracy.highpeak.gov.uk/documents/s22301/HPBCReviewofCommunitySupportGrants310321AEM%20Exec.pdf>

Derbyshire County Council Voluntary and Community Sector Infrastructure support proposal 2020-2024

[VCS infrastructure support grants proposal \(derbyshire.gov.uk\)](https://www.derbyshire.gov.uk/vcs-infrastructure-support-grants-proposal)

Voluntary and Community Sector Infrastructure Provision, DCC Cabinet report, 6 December 2021

[DERBYSHIRE COUNTY COUNCIL \(derbyshire.gov.uk\)](https://www.derbyshire.gov.uk/derbyshire-county-council)

Voluntary and Community Sector Review, DCC Cabinet Report 6 December 2021

<https://democracy.derbyshire.gov.uk/ieListDocuments.aspx?CId=135&MId=951&Ver=4>

Voluntary and community sector (VCS) grant funding review, DCC Consultation

<https://www.derbyshire.gov.uk/council/have-your-say/consultation-search/consultation-details/voluntary-and-community-sector-vcs-grant-funding-review.aspx>

Contact details

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6. Detail

- 6.1 On 1 April 2021, High Peak Borough Council (HPBC) considered a report on the VCS in High Peak. The Council recognised the importance of local VCS organisations and particularly their role at the forefront of the local response to the Covid pandemic. During the pandemic, the organisations collaborated, adapted and provided vital services for many of the most vulnerable residents across the Borough. It is likely that the demand for these services will remain high, and may increase, as people struggle to cope with rises in the cost of living. Any loss of VCS capacity may result in further demands being placed on statutory service provision, with associated organisational cost pressures.
- 6.2 The report also presented the findings of a survey of local organisations that received funding from HPBC. All predicted that they face cost increases, additional training needs and will experience an increase in demand for their services. All the organisations, except for the CAB, expect to face medium to long term financial difficulties.
- 6.3 In 2019, Derbyshire County Council undertook a review of its funding for the Voluntary and Community Sector (VCS) and subsequently consulted on its proposals for new funding arrangements. The Council agreed a response to the consultation as set out in the Individual Executive Decision dated 24 April 2020.
- 6.4 The review was put on hold, and funding arrangements were extended, by the County Council to allow further time to finalise proposals. Two update reports were presented to DCC's Cabinet on 6 December; one considered the recurring grants to the VCS, and the second considered VCS infrastructure provision. Following the report, the County Council opened a further consultation on VCS grant funding which runs until the 23 March 2022.

Voluntary and Community Sector Infrastructure Provision

- 6.5 Local infrastructure organisations can help the VCS to attract funding, operate good governance, recruit and manage volunteers, network and collaborate, disseminate knowledge at a local level, identify gaps and develop new activity, and influence the public sector.
- 6.6 As highlighted in the Borough Council's report of 24 April, that while High Peak CVS, Glossop Bureau, New Mills Volunteer Centre and Connex Community Support (Buxton) are identified as VCS infrastructure organisations only High Peak CVS is in practice predominantly an infrastructure organisation – the others are in fact providing direct services to the public with an auxiliary provision of infrastructure support to assist with service delivery. This misclassification of the organisations as infrastructure organisations was highlighted Council in the Borough Council's response to the County's 2019 consultation but subsequent County proposals are still based on this incorrect classification.

6.7 On 30 July 2020, DCC approved proposals for the future approach and funding of infrastructure support with the following key features:

- Adoption of an Outcomes Framework with agreed Key Performance Indicators
- Combining current funding provided by the Adult Care, and Policy & Research services into a single pot.
- Sector support delivered by providers through collaboration based on district boundaries
- A four-year funding commitment through a grant award with six monthly monitoring, yearly priority setting and review after two years.

6.8 DCC's Outcomes Framework describes three main outcomes for infrastructure support:

- The VCS is supported to grow and develop, enabling residents to contribute to social and cultural opportunities, which enhances their lives and the lives of others.
- There are increased pathways to volunteering which give opportunities to individuals to contribute to their community and enhances the sectors contribution across the county.
- VCS organisations can be supported to contribute to the strategic priorities of the Council.

6.9 The new, combined total funding for infrastructure support across the County will be £353,000 per year, which is a reduction of around 12%. Each district will have an allocation of £41,500 per year, which is a £32,308 reduction in funding for High Peak. This amounts to a 43% reduction in High Peak.

Area	Current Funding	Proposed Funding	Change
Amber Valley	£47,896	£41,500	-£6,396
Bolsover	£22,488	£41,500	£19,012
Chesterfield	£24,461	£41,500	£17,039
Derbyshire Dales	£50,511	£41,500	-£9,011
Erewash	£73,473	£41,500	-£31,973
High Peak	£73,808	£41,500	-£32,308
- <i>High Peak CVS</i>	£19,502	<i>Split to be agreed locally</i>	
- <i>Connex Community Support</i>	£27,236		
- <i>New Mills Volunteer Centre</i>	21,513		
- <i>The Bureau</i>	19,175		
North East Derbyshire	£24,461	£41,500	£17,039
South Derbyshire	£52,262	£41,500	-£10,762
County Wide (BME and Rural)	£30,778	£21,000	-£9,778
Total	£400,138	£353,000	-£47,138

- 6.10 On 6 December 2021, DCC agreed to extend the current funding from the 'Adult Care' and 'Policy and Research' infrastructure support budgets for a further 12-month period until March 2023.
- 6.11 DCC argues that the new approach provides funding throughout the county on a fair and consistent basis, which "*should ensure VCS organisations in each geographical area will receive an equitable offer of support, enabling the sector to grow and develop support around the needs of local communities*". However, the funding model provides the same funding for each borough and ignores any assessment of local need, demand, or indeed population. This arguably fails to deliver the County's ambition of developing support around the needs of communities and the ambition of providing equitable offers of support across communities.

6.12 As noted above, the County Council's starting position is flawed in that it fails to recognise that much of the current 'infrastructure' funding in High Peak currently supports the delivery of services to the community rather than infrastructure support. It is suggested that the County Council separate the two elements and allocate the funding that currently funds service delivery to Pathway 1 under the VCS grant review (below). This would ensure that the County Council's funding is allocated to infrastructure support and would help to achieve its aim of supporting the needs of the local community. It would also mean that High Peak is not disproportionately affected by the cuts to funding and could accept the proposed changes.

Voluntary and Community Sector Review

6.13 The Cabinet report acknowledges the crucial role the VCS plays in supporting communities and delivering important local activities. This includes one-off and recurring grants and it is the latter grants, which fund the same activity and are awarded to the same organisations year on year, that have been the subject of the DCC review. A total of £778,111 is currently spent on recurring grants, which is split between Adult Care Grants, Policy and Research Grants, and Arts Service Grants.

6.14 Grant funding allows the VCS to deliver important community services, which often fill-in the gaps in statutory provision, but also importantly provides leverage and allows the Sector to access other sources of funding.

6.15 The County Council is proposing to move towards adopting the principle of no longer awarding grant funding without a fixed end date. DCC suggest that this would support the delivery of the following outcomes:

- Ensuring grant funding meets the ambitions and priorities of the Council and emerging community needs
- Ensuring grant funding can be allocated to new organisations and new activities where appropriate; and
- Ensuring that activities funded by grants can be commissioned where appropriate.

6.16 According to the Cabinet report, the proposal would not result in the blanket cessation of DCC funding to organisations for specified activities but that the Council would commission the activities to which the grant relates where it:

- is a service that is necessary for DCC to discharge its statutory obligations; or
- meets DCC's strategic aims and priorities, provides value for money and supports a fair and equitable distribution of resources.

6.17 The report envisages a two-stage approach. The first stage would involve applying the criteria set out in the bullets above to decide which current grants will be replaced in the future by commissioning services (Pathway 1), and which current grants will cease (Pathway 2). The second stage will implement

the new arrangements, and will include a minimum of three months' notice where funding will cease. It is anticipated that final decision letter will be sent to organisations and relevant organisation put on notice by August 2022. This means that some funding may early as November 2022, which creates difficulties if organisations have planned delivery for the whole financial year.

6.18 DCC are consulting on its proposals with the stated intention of

- Gaining an understanding of support for the VCS Review approach proposals from relevant stakeholders.
- Enabling stakeholders to understand the potential impact of the principle of no longer support the award of grant funding to any organisation in the future without a fixed or scheduled end date and where appropriate offer a viable alternative
- Enabling stakeholders to comment on the assessment criteria and where appropriate, offer a viable alternative
- Enable stakeholders to outline how proposals will impact on residents.

6.19 DCC have specifically stated that they wish to consult with District and Borough Councils to “*understand what positive and negative impact the recommended review outcomes could have on partners*”. The consultation questions, and a draft response, are provided at Appendix A.

6.20 The DCC report provides an indicative pathway allocation. The High Peak projects that have initially been placed in Pathway 1 are New Mills Volunteer Centre Befriending Service (£250); The Bureau (Glossop) Time Out Service (£21,936) and the Glossop Derbyshire 50+Forum (£1,128). Some of the Countywide services within Pathway 1 also deliver within High Peak, such as those provided by Derbyshire Law Centre and Age Concern.

6.21 The initial inclusion of these projects in Pathway 1 is to be welcomed but it is unclear what “*future funding to be secured through commissioning*” will mean for these projects and for service delivery in practice. The DCC report suggests that this commissioning approach will give services “a more stable platform to grow” but also states that:

“there would be an expectation that organisations would apply and re-apply for future funding in the future in line with agreed timescales, with no guarantee of success”.

6.22 This change in approach creates uncertainty, rather than stability, and places more bureaucratic demands on the VCS that will divert the sector away from service delivery. It also makes it difficult – or impossible – for the Borough Council and other stakeholders to respond in detail to the consultation question that asks for the impact of the proposals on residents given that the nature and amount of funding to the sector in High Peak is unknown. However, given that High Peak’s Voluntary and Community Sector will experience the highest cuts in funding across the County, it is clear that the proposals will result in the loss of valuable provision within the Borough.

- 6.23 The failure to review the current nature and cost of service delivery across the County is perhaps a missed opportunity. For example, grants for local befriending services range from £250 (New Mills) to £33,858 (South Derbyshire) and not all parts of the County appear to be covered by such services. Similarly, grants for 50+ Forums range from £352 to £1,330 but not all areas are covered by this provision (the only such provision in High Peak is in Glossop) and grants to lunch clubs vary from £629 to £20,282 and only cover certain areas of the County (no large lunch clubs receive funding in High Peak).
- 6.24 Several High Peak organisations, or those that include High Peak in a broader delivery area, have been shown on Pathway 2 (funding to cease). These are:

Age UK Derby and Derbyshire	First Taste	£5,200
Buxton Festival	Arts Grant	£5,723
Connex Community Support	Volunteer Car Scheme	£16,306
Erewash Voluntary Action CVS	Shopping Service	£31,711
Fleet Arts	Arts Grant	£18,006
Glossopdale Furniture Project	Recycling and repurposing project	£32,133
Heanor Salcare	Recycling and repurposing project	£54,054
High Peak Community Arts	Arts Grant	£18,006
Junction Arts	Arts Grant	£15,200
Learning Through Arts	Arts Grant	£16,028
Level Centre Ltd	Arts Grant	£24,925
Live and Local	Arts Grant	£13,582
Orchestras Live	Arts Grant	£6,377
Ripley Neighbourhood Care Scheme	Luncheon club (closed)	£2,369
South Derbyshire CVS	Social Car Scheme	£7,406
Stanley Common Eventide Guild Hall	Community development	£10,000
People Express	Arts Grant	£16,323
Wash Arts	Arts Grant	£3,642
		£296,991

- 6.25 Around 25% of the indicative funding cuts (Pathway 2 projects) is from projects with High Peak. These organisations will be provided with final decision notices in August 2022 which mean that some will cease to receive funding in November 2022. The report raises the possibility that the projects can apply for one-off grant funding but this introduces a high degree of financial insecurity for them.
- 6.26 The County Council suggest that the allocation to pathways is based upon a clear review process. Projects that meet either Criteria 1 or 2 are placed in Pathway 1, and the remaining projects are placed in Pathway 2.
- Criteria One is: *“Funding provides a service which is required in order to ensure that the Council complies with its legal obligations”*
 - Criteria Two is: *“Funding:*
 - *Meets the Councils strategic aims and priorities*
 - *Provides value for money; and*
 - *Supports fair and equitable allocation of resources”.*
- 6.27 The proposals do not provide any indication of which legal obligations it seeks to deliver by funding the VCS (Criteria 1). It is suggested that the process would be more transparent, and assist the Sector to plan, if greater clarity was provided.
- 6.28 The second criterion is unhelpfully broad and vague. ‘Strategic priorities’ are defined within the report as those within the Council plan, but ‘strategic aims’ is not defined. Whilst a service can demonstrate how it would provide value for money, it is suggested that a service would not be able to show how it supports a fair and equitable allocation of resources if it operates at a local, rather than County-wide level.
- 6.29 The County Council’s Plan defines its key priorities as:
- resilient, healthy and safe communities
 - high performing, value for money and resident focused services
 - effective early help for individuals and communities
 - a prosperous and green Derbyshire
- 6.30 Whilst ‘strategic aims’ is not defined, the County Council has defined its ambition:
- “We will work together with our partners and communities to be an enterprising council, delivering value for money and enabling local people and places to thrive.”*

6.31 Furthermore, the County Council describe three key areas as part of its strategic approach: Vision Derbyshire, Enterprising Council and Thriving Communities.

6.32 It is unclear how the application of the criteria has led to the High Peak services being allocated to Pathway 2. Each of the projects appears to meet Criteria 2, which would allocate them to Pathway 1:

- The Volunteer Car Scheme operated by Connex, which helps to deliver the key priority of creating “*resilient, healthy and safe communities*”;
- The Glosopdale Furniture Project accepts referrals from social services, housing charities, women’s refuges and many other local organisations who support individuals and families in need and thus helps to create “*resilient, healthy and safe communities*”, and the recycling and repurposing aspect of the service also helps to deliver the priority of creating a “*green Derbyshire*” (and thus also support the aims of Vision Derbyshire: “*Live and Work Sustainably*”).
- High Peak Community Arts provides arts therapy and supports healthy communities and, as with the Buxton Festival (and Live and Local that also operates in High Peak) helps to deliver “*thriving communities*”.

6.33 This lack of clear criteria hampers the County Council’s aim of achieving a fair and equitable allocation of resources, and makes it difficult for VCS organisations to plan and bid resources. The large variation in cost and limited geographic spread of some of the services that have been allocated to Pathway 1 also seems to be incompatible with the criteria relating to value for money and allocation of resources.