

Subject:	Support for the Charity Sector and Volunteering		
Date of Meeting:	19th November 2020		
Report of:	Rachel Sharpe, Interim Executive Director of Housing, Neighbourhoods and Communities		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report is provided in response to the Notice of Motion (Charity sector and support for volunteering) from the TECC committee meeting of 18th June 2020.

2. RECOMMENDATIONS:

That the committee:

- 2.1 Notes the council's Third Sector Investment Programme (TSIP) as the council's major grant funding support to the Community and Voluntary Sector (CVS)
- 2.2 Approves the agile use of the Communities Fund 2021/22 under the guidance of the All-Party Members Advisory Group within the fund's framework
- 2.3 Notes the council's investment in the Community Works Partnership to provide infrastructure support for the CVS in the city.
- 2.4 Notes officers will explore and report back on development of a policy and process for 'community' tenants to request a rent reduction/break to support their recovery from Covid-19
- 2.5 Notes that officers will explore the opening of council training to CVS organisations.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 *Taking Account 4: The Economic and Social Audit of the Third Sector in Brighton and Hove* reported in 2018 that there are 2330 charities and voluntary organisations across the city with an estimated income of £100m per year, employing an estimated 7000 people. 51% of the adult population of the city volunteer at least once a year, contributing almost 4.5 million hours per year.

- 3.2 The CVS sector is a major partner in the delivery of services through contracts awarded by the council, and other public service partners. The council invests over £30 million per annum in service contracts with CVS organisations and service providers.
- 3.3 The council's major grant funding support to the Community and Voluntary Sector is via the Third Sector Investment Programme. The programme consists a three year grant awards through the Third Sector Commission (currently commission 2020-2023) and annual grant awards through the Communities Fund. The Communities Fund budget is circa £365,000. £315k from general fund, approximately £25k from Textile Recycling Fund (annual average) and £25k Hedgecock Bequest.
- 3.4 An external evaluation of the first year of the Third Sector Commission (TSC) 2017-20 identified that of the £2.24m allocated, a further £6.27m was generated by the funded partnerships, through finance that organisations had secured in contracts and through additional funding applications. A review of the full three years investment (2017-2020) is being finalised and the report will be circulated to committee members for information and used to inform future reviews of grant funding to the CVS.
- 3.5 Covid-19 has had a major impact on the CVS sector. A report commissioned by the Sussex Health and Care Partnership to better understand the significant contribution of the CVS during the Covid-19 crisis has highlighted the CVS contribution, the service impact, demand for services, client impact, impact on volunteering, impact on staff, and financial impact. The final report is being finalised and will be circulated to committee members for information upon its completion.

3.6 Service Impact

The pandemic had a widespread initial impact in terms of disrupting the services and operations of the CVS, chiefly as a result of the introduction of 'lockdown' measures including closure of many premises and implementation of social distancing protocols. While some organisations experienced severe disruption to their services, including full closure, most organisations continued providing services and played a role the emergency response. A survey conducted by the Trust for Developing Communities with the Community Buildings Network in June 2020 reported that all had closed to revenue generating activities, with 67% reporting loss of over 50% on income, 17% all income.

3.7 Demand for services

The evidence from the report provides a shifting landscape of demand across the CVS sector. While demand in some areas fell, for many organisations there was an increase. In addition, there also emerged significant new categories of demand around shopping, medication and emotional support. It is unclear to what extent such changes can be expected to endure over the longer term and what further patterns in demand may emerge.

3.8 Client impact

The historic marginalisation and exclusion of some communities and groups of residents increased their vulnerability to the impact of the pandemic. This included increased lack of money, limited control over their environment and reduced support networks. Black, Asian and Minority Ethnic communities have been identified as being particularly affected clinically by COVID-19 but wider inequalities and disadvantage affecting these groups have caused significant difficulties in accessing guidance and support during the pandemic.

3.9 Impact on volunteering

While some existing volunteers shielded, the widespread furloughing of staff during lockdown also made available a new pool of volunteers and as some established volunteering opportunities may have disappeared – initially at least – there was a simultaneous increase in demand around issues such as shopping, medication collection and befriending, all of which were labour intensive activities requiring large numbers of volunteers. Overall, the impact on volunteering was one of rapid shifts, chiefly as a result of lockdown.

3.10 Impact on staff

The impact on staff appears to have been significant and has taken a toll on staff. Once again, the research reveals a multiplicity of experiences, from those who were furloughed and the anxiety this results in, to those who experienced increasing demand whilst managing new ways of working.

3.11 Financial impact

Most CVS organisations, through a basis of sound organisational management, were able to continue operating and to provide much needed services. One of the key themes is one of uncertainty moving into the medium and long term. This includes uncertainty about availability of funding – from a range of sources and routes - and organisations ability to generate income through activities such as trading and fundraising. A survey commissioned by Community Works across Brighton and Hove, and Adur and Worthing and due to be published at the CW AGM in November will report that 45% of respondents stated that their current delivery model is 'very significantly', or 'Significantly' at risk. Financially 44% expect to lose at least 10% of their income over the financial year as Covid-19 impacts on a range of income streams whilst 39% advised they had used reserves/unrestricted income to sustain operations and services.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 In-kind support

The report has been drafted in conversation with Community Works, and options for in-kind support include physical assets such as use of council buildings for

community groups, skills 'loans', and access to council internal training events. The council approved a Community Asset Transfer Policy in 2017 and majority of its community assets are already leased by community organisations. Officers in the Community, Equalities and Third Sector and Property Estates teams are exploring the potential of replicating the recent approved policy and process for struggling commercial tenants which established rent payment assistance ie deferrals, reductions and other arrangements to see if any principles can be applied to community tenants. The Community Engagement Team with Housing colleagues is reviewing the use of housing rooms/spaces to maximise their use. CVS access to council training is ad hoc, Communities, Equalities and Third Sector (CETS) team staff will explore with Learning and Development if this can be standardised.

4.2 Pooling resources

The Third Sector Commission (TSC) 2020-23 investment for 2020-21 is £1,935,072, with further annual investment subject to yearly council budget setting. The TSC is comprised of funding from CETS, Public Health and Adult Social Care. In addition, the CCG invest £50,000 per year, demonstrating the value of council and health commissioners working together to support the sector. Details of the TSC, including outcomes and investment awards are available in Appendix 2.

The council invests in infrastructure support through the Third Sector Commission. In 2020-21 this investment was £326,000 (plus £50,000 from the CCG), awarded through a grant to a partnership led by Community Works.

The grant funds the partnership to provide a range of infrastructure support for the CVS sector. The CW offer, which was strengthened as a result of Covid-19 impact, includes (not exclusively):

- 1:1 support,
- a chief officer's network with over 70 members,
- a Trustees network,
- a range of training packages focussed on organisational sustainability and managing change,
- access to external consultancy,
- CW Reps Council have members on city partnerships, emergency cells, recovery and renewal working groups, as well as networks such as Health and Social Care, Homelessness and Rough Sleeping.

In addition, the Resource Centre, one of the partners in this partnership, supports small and emerging CVS organisations with, a support service that was adapted to meet the crisis needs caused by Covid-19:

- practical support (examination of accounts, design and print work)
- fundraising support including accessing crisis funds
- information and advice on organising online activities, managing funds in informal groups

4.3 Signposting and access to funding or greater partnership opportunities

The Communities, Equalities and Third Sector (CETS) team provides a Grantfinder service to CVS groups as well as bespoke advice and support to TSC funded partnerships as part of twice-yearly monitoring.

In addition, the council and Sussex Community Foundation refer groups between each other and meet quarterly to update on their strategic priorities. In addition to independent fund raising, SCF managed the Sussex allocation of the National Emergencies Trust Covid funding.

As well as the Third Sector Commission the council provides direct access to annual grants via its Communities Fund. To date in 2020/21 the Communities Fund has allocated grants totalling £170,254 to 44 local CVS organisations as part of the emergency response (Appendix 1). By the end of the year the Fund will have allocated £25,000 to BAME organisations, £115,000 to groups for recovery and £100,000 for carbon reduction projects.

4.4 Sector-led 'warning system'

A sector-led warning system implies that this would be managed or overseen by a CVS organisation within the city, logically an infrastructure organisation. This role does not feature in current grant or contracts with the CVS sector so would have to be created. The purpose of such a system would be to encourage and identify CVS organisations that were at risk financially with the resultant impact on their service users. However, the establishment of a sector-led warning system depends upon organisations feeling they are willing to share and disclose financial vulnerabilities. For any organisation (CVS or other), disclosing financial vulnerabilities externally is very risky, and organisations have a right to maintain commercial confidentiality, whether to an infrastructure organisation, and certainly also with other CVS organisations within the city.

There would need to be very clear criteria as to what would happen with any disclosure to the infrastructure organisation from an organisation identifying financial problems. If one of these criteria was that the information should be shared with funders, including the council, it is very likely that organisations would not disclose in the first place. If that was not a criterion, then the value of such a system would be difficult to see. CVS organisations across the city already have access to the CW package of support, including support when organisations are looking for financial or sustainability advice. A 'warning system' is not deemed workable at present, but this has not been ruled out.

4.4.1 Emergency funding

The establishment of emergency funding would require a budget decision as part of the council's full budget setting process and clear criteria as to what it was for. Based on current feedback from the CVS it is felt that this fund would have to be substantial, most likely in excess of £0.5m. It would also require considerable work to set up the fund to ensure a robust, fair and transparent rationale for allocating the funding. This would be challenging as it would have to consider and weight a range of factors for example, the nature of the organisations work, the beneficiary group, the reasons for the need to provide emergency funding, how many residents used the services of the group, the unit cost of each piece of work (where appropriate) or interaction with a resident, and the social value of any interaction. Fair advertisement of the fund would be required and an accessible application process.

Alternatively, the council could continue to provide support through the funding of infrastructure support (currently Community Works Partnership) to CVS organisations to provide ongoing and sustainable support to organisations to help them weather changes and become more sustainable.

Furthermore, the council could continue to retain agile use of the Communities Fund, within the Fund's framework, to respond to longer term impact of Covid-19. Using the learning from the emergency and recovery rounds in 2020/21.

4.4.2 Partnership working

The Head of CETS meets quarterly with officers from across the council who have a strategic and/or financial relationship with the CVS. This provides an opportunity for issues and opportunities to be identified and learning to be shared.

4.5 Support, reward and recognise the role of volunteers

During the Covid-19 emergency phase a multi-agency volunteering workstream (under the vulnerable people's cell) was established to provide oversight of the management and use of volunteers in the city. This was to ensure the well-being and safety of the volunteers and those they supported, to link local work with schemes being developed nationally and to co-ordinate between CVS, council and health.

The workstream was able to work quickly and effectively as it was based on existing structures in the city. The volunteer coordinators forum – a cross sector operational group run by CW that enables peer support and sharing of good practice between volunteer coordinators/host organisations. And the City Volunteering Partnership – a strategic cross sector group that brings together a range of volunteering perspectives which inform the future development of volunteering activity in the city, acts as an 'expert' panel where volunteering developments can be tested and works collectively to ensure that the contribution and value of volunteering and community activity is championed and celebrated in the city.

The City Volunteering Partnership reconvened - following a hiatus during the emergency phase of Covid-19 - on 6th November and considered support, reward and recognise the role of volunteers in the city, including through promoting best practice in 'volunteering leave,' and other measures. It agreed to explore a volunteering passport which volunteers could use to move between volunteering opportunities and as evidence of training, development and experience that could support job applications. The partnership also highlighted that the provision of well-being support was critical in the current situation as many volunteers were continuing to provide their time and energy in personally challenging circumstances and were working with people facing considerable challenges. The partnership shared their approaches of providing well-being support and Community Works continues to facilitate an on-line space for volunteer coordinators (from any sector) to share information and practice.

5 COMMUNITY ENGAGEMENT & CONSULTATION

The report has been drafted with input from CW. Detail within the report has been provided through surveys carried out in recent weeks with CVS sector locally.

6. CONCLUSION

- 6.1 The CVS remains an important element in the delivery of services to communities across the city, with widely varying needs. It remains a significant employer in the city, bringing significant inward investment through attracting external funding.
- 6.2 The CVS faces considerable challenges as a result of the impact of Covid-19. These challenges are neither unique to the CVS, nor to the city. Whilst a strong package of support is available, it is likely that this impact will lead to the closure of some CVS organisations. It is not possible to determine the scale of this, nor the timing.
- 6.3 The council's investment in the sector through its grant programmes continues to offer the best mechanism to ameliorate this impact.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The current TSIP investment for 2020/21 is set out in section 3.13 of this report. Funding levels for 2021/22 and future years is subject to annual Budget Council approval.

Finance Officer Consulted: Name Michael Bentley Date: 08/10/20

- 7.2 There are no direct legal implications arising in respect of this report which is for noting by the Committee.

Lawyer Consulted: Judith Fisher Date: 20/10/20

Equalities Implications:

- 7.3 An Equality Impact Assessment was carried out for the Third Sector Commissioning Prospectus and continues to be updated and reviewed.

Sustainability Implications:

- 7.4 There are no sustainability implications

Brexit Implications:

- 7.5 A range of external grant funding opportunities funded by the EU will cease on 31st December 2020, at the end of the Transition period. The government has

signalled that a Shared Prosperity Fund will be established but to date no details have been published.

Any Other Significant Implications:

Crime & Disorder Implications:

- 7.6 There are no Crime & Disorder implications.

Risk and Opportunity Management Implications:

- 7.7 Organisations funded through the Third Sector Commission are required to submit Risk Assessments as part of their Grant Agreement terms.

Public Health Implications:

- 7.8 CVS organisations contribute significantly to the public health and wellbeing of the city's residents. This is through delivery of significant services contracted and grant funded by the council, through additional support funded through the CVS organisations fundraising capacity, and through small, usually volunteer led, local geographically or community of interest groups.

Corporate / Citywide Implications:

- 7.9 CVS organisation closures will have an impact on the city through potentially additional job losses and impact on communities through loss of service.

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1, Communities Fund 2020-21 Covid-19 emergency grants
2. Appendix 2, Third Sector Commissioning Prospectus 2020-23

Background Documents

1. [*Taking Account 4: The Economic and Social Audit of the Third Sector in Brighton and Hove, 2018, Community Works*](#)
2. [*Third Sector Commission 2017-2020 Year One Evaluation, 2018, Ottawa Strategic Management*](#)
3. *Community Buildings Survey, 2020, Trust for Developing Communities*