

For General Release

REPORT TO:	CABINET 25 March 2019
SUBJECT:	Council Voluntary, Community & Social Enterprise Sector Strategy, and Community Fund Progress Report for 2018
LEAD OFFICER:	Hazel Simmonds Executive Director Gateway, Strategy and Engagement
CABINET MEMBER:	Councillor Hamida Ali Cabinet Member for Safer Croydon & Communities
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT <p>The Corporate Plan recognises the importance of working in partnership to deliver the priorities and outcomes we have promised in new and creative ways. This includes working with the voluntary, community and social enterprise sector.</p> <p>The Council's Community Fund Progress Report 2018 provides an update on the progress made during the second year of delivery.</p> <p>The Community Fund has clear outcomes that are aligned with the recommendations made by the Opportunity and Fairness Commission as well as the Community Strategy and Corporate Plan. The Community Fund is a three year outcome focused programme that builds on the assets of the voluntary and community sector, promoting enterprise, volunteering and social value. Overall, it supports the Council's ambitions to reduce inequality and promote fairness for all communities.</p>	
FINANCIAL IMPACT <p>The Council provides a range of financial support to the Voluntary, Community and Social Enterprise Sector. The new strategy will provide a framework for how the Council works with the sector in future. The report provides an update on the Community Fund, which is a discretionary grants programme with a budget commitment of nearly £6 million over a three year period from October 2016 – September 2019. An extension of six months has been agreed, thus current contracts will terminate on March 31 2020.</p>	
<p>The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below.</p> <p>1. RECOMMENDATIONS</p> <p>The Cabinet is recommended to:</p> <p>1.1 Approve the Council's Voluntary, Community & Social Enterprise Sector Strategy, as attached (Appendix 2);</p> <p>1.2 Subject to compliance with consultation requirements in relation to stakeholders, delegate to the Executive Director (Gateway, Strategy & Engagement), in consultation with the Cabinet Member for Safer Croydon & Communities, authority to amend the strategy as necessary and to ensure publication of any</p>	

amendments. Any proposed amendments shall be reported back to Cabinet as soon as reasonably practicable;

- 1.3 Note the progress on the annual milestone outlined in the attached annual impact report (Appendix 1) due to be published in March.

2. EXECUTIVE SUMMARY

- 2.1 This report outlines the council's aim to develop a Voluntary, Community and Social Enterprise Sector Strategy which provides a framework for how the Council works with the sector. It summarises the Council's corporate priorities and engagement work with the sector, comments from the Scrutiny & Overview Committee and seeks Cabinet approval of the proposed strategy.
- 2.2 In addition, this report provides a progress update on the Community Fund programme delivery for Year Two. The Community Fund programme is a significant proportion of the Council's financial support to the sector and was focused on delivering five key outcomes. The attached report provides a summary of the key achievements, outcomes and impact to date through a series of case studies and service user testimonials.
- 2.3 In September 2016, the Cabinet approved the Community Fund programme 2016-2019 to provide grant awards totalling nearly £6m. This demonstrated a clear and strong commitment to the Voluntary, Community and Social enterprise, (VCS) sector.
- 2.4 Croydon's VCS sector has a strong history of innovation and enterprise, providing imaginative, community based solutions. This report summarises the commissioning approach and showcases key achievements during the past year displaying the innovation, life-improving outcomes and impacts that we aim to deliver through this investment.
- 2.5 The report highlights the essential contribution that the VCS sector makes to the social and economic wellbeing and health of Croydon. The report notes the key role that the VCS sector plays in responding to the current challenges that face Croydon and the Council's continued commitment to investing in the sector to support this work. This commitment is confirmed in the recently approved Corporate Plan.
- 2.6 The Council is committed to further investing in the VCS sector and to commissioning the next stage of the Community Fund, to start in April 2020.
- 2.7 Engagement with the VCSE to inform the recommissioning has already started. Engagement will continue and will be further informed by the VCS Strategy.

3. BACKGROUND

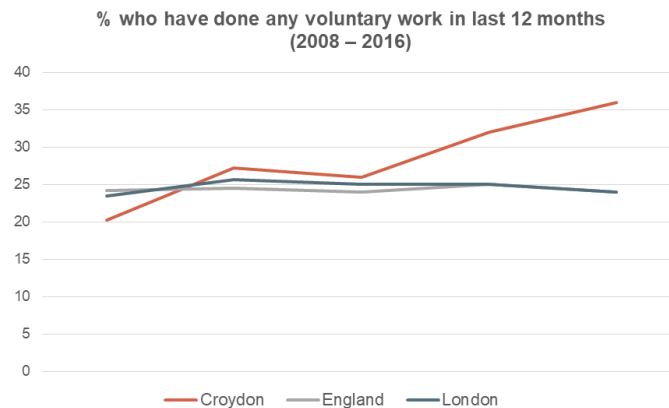
- 3.1 During 2015 the Council commissioned the Opportunity and Fairness Commission to recommend ways to reduce inequality. This was noted as one of the widest conversations with the community of any London Borough. The

findings from the Commission reported to Cabinet in January 2016 influenced the Community Fund outcomes framework and key principles. During the two years of the programme to date the focus on outcomes allowed the VCS to deliver creative and innovative programmes and commissioners to work with VCS organisations to agree clear measurements for performance and impact.

4. VOLUNTARY & COMMUNITY SECTOR: CROYDON CONTEXT

- 4.1 Croydon benefits from a strong Voluntary & Community Sector (VCS) which makes a vital contribution to the borough.
- 4.2 The VCS delivers significant services, support and advice to residents across a wide range of council services. The sector also supports community cohesion, empowerment and resilience.
- 4.3 According to the Charity Commission there are 819 registered charities in Croydon. This only captures those charities with their registered office within the borough. There are many more charities, such as national VCS organisations, that are not included within this figure but still provide a vital role in Croydon.
- 4.4 Croydon CVA have over 2,000 individuals registered within local VCS organisations, demonstrating the broader scope of the sector beyond registered charities.
- 4.5 When referring to the Voluntary & Community Sector, we are in fact referring to over a dozen different forms of organisations, including:
 - Community associations
 - Community groups
 - Co-operatives and social enterprises
 - Faith organisations
 - 'Friends of' Groups
 - Grant making trusts
 - Housing Associations
 - Non-constituted groups of residents working together to make a difference in their local area
 - Registered charities
 - Charitable Incorporated Organisations
 - School/parent groups
 - Social enterprises
 - Sports, environmental, arts and heritage organisations
 - Tenants and residents' groups
- 4.6 Whilst some organisations will employ staff, most are reliant on volunteers, at least in part. In recent years Croydon has benefited from an increase in volunteering levels. In the 3 years to 2015/16 (the most recent data available), the DCMS survey confirmed that 36% of people in Croydon had volunteered in the previous 12 months (see Chart 1). This was the third highest level of volunteering in London, and an increase from 20% in 2011/12.

Chart 1: Percentage of residents in Croydon, London and England who volunteer



Data from the Department of Digital, Culture, Media and Sport Taking Part survey showing levels of volunteering among the adult population (16+) by borough and region. It combines valid responses to the question 'During the last 12 months, have you done any voluntary work?' from three years of the survey, excluding 2009/10 when there was no volunteering question in the survey. It is a continuous face to face household survey.

- 4.7 Data on registered charities operating in boroughs suggests that the VCS in Croydon is the largest in outer South London. However, when the total income of active local registered charities is compared across the sub-region, Croydon is overshadowed by Richmond and Bromley even though those boroughs have smaller populations. The level of spend in registered charities between 2001/02 and 2016/17 rose markedly in Richmond and Bromley, and steadily in Kingston, and Sutton. This may in part be due to outsourcing to the VCS in those areas. It should be noted that this comparative analysis relates only to registered charities, which may represent only two-thirds of the VCS in Croydon; 35% of VCS organisations responding to the Council's survey stated that they were not/are not registered charities.

5. CROYDON COUNCIL CONTEXT

- 5.1 The Council adopted a new Corporate Plan in October 2018. This plan sets out the Council's promises to residents, business and partners across nine priority themes.
- 5.2 It should, therefore, be no surprise that there are multiple references to the VCS across the Corporate Plan. The VCS delivers significant services, support and advice to residents across a wide range of council services. The sector also supports community cohesion, empowerment and resilience.
- 5.3 In order to deliver the Corporate Plan, the Council is seeking to radically change the way services are delivered, with a strong focus on prevention and locality based working. This approach is evidence-led, recognising that services need to differentiate to respond to the differing needs across the borough. It also recognises the importance of collaboration and community-based networks in order to succeed. The VCS therefore has a significant role to play in this new approach.

5.4 The Council is a strong contributor to the VCS in Croydon, providing significant funding and staff support through council teams, its commissioning and procurement function and its One Croydon partnership. It also funds infrastructure organisations (CVA, Asian Resource Centre Croydon, Croydon BME Forum and Croydon Neighbourhood Care Association) to deliver specialist support to the VCS. The table below summarises of some of the support provided directly and indirectly.

Table 1: Support provided to the VCS in Croydon

Council teams	<ul style="list-style-type: none"> • Building capacity within the sector • Identification of funding opportunities / bid-writing support • Administering ward budgets, discretionary business rate relief and rent subsidy programmes • Organising community events
Infrastructure bodies	<ul style="list-style-type: none"> • Capacity Building • Training • Identification of funding opportunities / bid-writing support • A specialist skills and employment service • Building local networks • Brokering support from other sectors • Co-ordinating engagement activities • Promoting equality and cohesion within communities
Commissioning and procurement	<ul style="list-style-type: none"> • Publishing the commissioning pipeline • Developing the commissioning policy, including commitments to social value including buy local • Engaging and supporting the VCS sector and local businesses to be part of the council’s supply chain • Commissioning and contract management of Community Fund
One Croydon	<ul style="list-style-type: none"> • Development of Local Voluntary Partnerships (LVPs) model supporting people with complex needs in a locality and the link to social prescribing • VCS input into development of the models of care and commercial arrangements

5.5 However, there is no over-arching framework to inform the Council’s approach to working with and funding the VCS. Developing a VCS strategy provides an opportunity to establish a framework that informs our funding priorities and wider support for the sector, and strengthens our relationship with voluntary and community sector organisations of all types and sizes.

6. COUNCIL FUNDING SUMMARY

6.1 The Council provides significant direct financial support to the VCS.

Community Fund

- 6.2 The Community Fund has a prevention focus and was commissioned against the Opportunity and Fairness Commission priorities. £5,861,870 was allocated for the three year period, with a declining amount each year, designed to encourage VCS organisations to seek alternative funding and improve sustainability. In 2017/18, total funding was £1.935m, which was granted to 31 VCS organisations. Grants range from £4,700 up to £270,000. 54% of funding was allocated to 5 organisations.

Prevention Fund

- 6.3 The Prevention Fund focused on services aimed at the over-65s. Funded services include lunch clubs, befriending, outings, hospital transport and shopping services. Under the Prevention Fund, £450k was allocated to 21 VCS organisations in 2017/18. Grants ranged from £1.4k up to £72k, with nearly 60% of funding allocated to five organisations. In 2018/19 the total allocated was £561,400, with a similar pattern of distribution.

Community Small Grants

- 6.4 Under the Community Fund, £100k per year is retained for small grants to VCS groups. Grants of up to £5k each are available through a simple application process. The grants are allocated up to six times per year to support community resilience, community development and sustainability.

Premises and associated subsidies

- 6.5 Premises are a critical area of support for VCS organisations. They are also, however, an expensive resource that is often in short supply. The Council supports VCS organisations in a number of ways.
- 6.6 The Communities Team and Property Team work together to identify appropriate venues for VCS organisations. This includes seeking the right location and ensuring the building is fit for purpose. In order to improve the affordability for these premises, many are charged only a peppercorn rent (51 premises), or the Council provides Rental Grant Subsidy to support the premises costs.
- 6.7 The Council currently provides £247k in Rent Subsidy. This benefits a range of organisations including sports clubs, scouts associations, residents associations, youth and community centres as well as larger organisations such as the CAB, Law Centre and CVA.
- 6.8 The Council also provides Discretionary Business Rate Relief (DRR) in addition to the 80% mandatory rate relief that may apply. In 2018/19 just under £156k was awarded. 112 organisations received the 20% top-up to their mandatory rate relief, whilst 5 payments covered 100% discretionary relief. Most of the payments were low value; however, nearly 50% of the total budget is paid to six organisations. The budget is fully allocated against historic commitments, and the Council is therefore not able to consider any new applications for discretionary rate relief.
- 6.9 The Council's approach to premises related subsidy and support to the VCS has lacked an integrated approach, with no formal adopted policy or procedure for determining which organisations should benefit from rent subsidy and discretionary rate relief.

Community Ward Budgets

- 6.10 In addition to the above funding, each Councillor has been allocated a Community Ward Budget of £8k per year. These budgets are a dedicated and flexible resource for supporting specific local issues within their Ward. The funding is intended to encourage activities that are independent and self-sustaining. The majority of these budgets are allocated to VCS organisations, including £67k to Residents' Associations, £39k to faith groups and £30k to 'friends of' groups in 2017/18.

Other sources of funding

- 6.11 There is also significant spend not covered by these grant schemes. The Council has a £400m annual commissioning budget and is working to increase opportunities for VCS organisations to bid to provide services in the same way as any other public or private sector organisation. In addition, since the Community Fund and Prevention Fund were allocated, additional funding has often been announced by Government (e.g. Best Start, Early Help Strategy initiatives). Delivery of many of these projects involve VCS groups.
- 6.12 The Council is not the only organisation that provides funding to the VCS in Croydon. The CCG has a significant VCS spend, with £4.7m in 2018/19. Through One Croydon Alliance, Local Voluntary Partnerships will be allocating £329k in small grants. The sector has also had success in bidding for funding from other organisations, such as Big Lottery, national grant schemes and the Mayor of London (e.g. MOPAC projects).

7. GOOD PRACTICE

- 7.1 A key part of the research phase has involved considering different councils' approaches to VCS strategies, speaking with peers and reading national materials. This research provided practical insights around some familiar challenges, as well as serving to highlight areas of good practice.
- 7.2 It was notable that the majority of councils did not have a VCS strategy. Greenwich took a similar approach to Croydon's engagement, with a survey and events (see section 11 below). Their strategy included an analysis of key issues, many of which have also been identified in Croydon, priorities, outcomes and objectives. In particular, Islington Council's VCS strategy stood out from the others due to its clarity and simplicity. Islington segments its VCS sector by income, structure, activity, premises and location. This key information is used to inform how the Council can best interact with each organisation in order to best serve local needs and to further collaborative working. Both Islington and Greenwich recognise the need for wider support beyond funding, and the critical role of the VCS in working with local government.

8. PROPOSED VOLUNTARY & COMMUNITY SECTOR STRATEGY FOR THE COUNCIL

- 8.1 The proposed Voluntary & Community Sector Strategy is attached as Appendix 2. It is recommended that the Cabinet approve this strategy.

- 8.2 The strategy has been developed following extensive engagement with the sector (see section 11 below).
- 8.3 It is important to recognise that this strategy is to guide how the Council works with the sector, and how we prioritise our resources in this area. It recognises that the VCS are equal partners in our ambitious plans to deliver for the residents and businesses of Croydon. It does not seek to impose a strategy on the sector, which by its nature is diverse, varied and continuously evolving and responding to local needs.
- 8.4 The strategy is structured as follows:
- Foreword by the Cabinet Member
 - Background and context information regarding the VCS in Croydon
 - Findings from the consultation and engagement
 - A statement on why the VCS is important to use
 - Priority areas for the Council to work with VCS, and how we will support the VCS
- 8.5 The priority areas for the Council to work with the VCS have been grouped-around key priority outcomes of the Council's Corporate Plan. They capture the areas that the sector themselves identified as priorities that they could most effectively support.
- 8.6 The priority areas within the strategy are:
- People live long, healthy, happy and independent lives. We want people to be able to stay well and to manage well. Should they need support or services they will be closer to home.
 - Visible, cohesive and resilient communities
 - Croydon becomes a more equal place
 - Healthy, happy and independent lives are lived by as many as possible for as long as possible
 - Access to effective health services and care services when needed
 - Our young people thrive and reach their full potential
 - Children and young people in Croydon and their families are safe, healthy and happy; young people aspire to be the best they can be
 - Every child and young person can access high-quality education and youth facilities
 - Getting more young people involved in taking part in local democracy and in tackling the issues that matter most to them
 - Access to homes and prevention of homelessness
 - all have the opportunity to access a suitable home and avoid homelessness, with no one forced to sleep on the streets
 - Everyone feels safer in their street, neighbourhood, home. We pledge to treat serious youth violence including knife crime, as a public health issue
 - Working in partnership to reduce crime; including serious youth violence, domestic abuse and sexual violence, and hate crime
 - Anti-social behaviour and environmental crime are reduced throughout the borough, through work with partners and local community involvement
 - Everybody has the opportunity to work and build their career

- More residents can develop their skills through apprenticeships, academic and technical courses and access employment opportunities
- We value arts, culture, sports
 - Croydon's cultural offer enhances our town and creates places where people want to live, work and visit
 - Good, affordable and accessible sports and leisure facilities enable people to be as active and healthy as they want to be
 - Our parks and open spaces are safe, pleasant, thriving places where everyone can exercise and have fun.

8.7 The strategy includes potential ideas that could be supported under each priority. However, the expectation is that the sector will innovate and bring forward new proposals and ideas that have not been seen in Croydon before. The strategy outlines that in future the Council will be more likely to support proposals that:

- Involve collaboration with other VCS groups
- Are locality and prevention focused
- Have a focus on early identification and intervention
- Support the priority areas within the VCS Strategy
- Are evidence-based and innovative.

8.8 Whilst we are seeking sector-led proposals and innovation, and benefit from a strong and diverse sector, we must continue to support voluntary and community sector organisations in Croydon. The strategy therefore recognises that we will continue to support the sector, directly and indirectly, in the following ways:

- Funding and commissioning
- Facilitate collaborative working and partnership
- Build the capacity of VCS organisations and groups
- Premises: maximise use of assets for the VCS

8.9 The range of the strategy recognises the ambitious plans that we have for Croydon, and the important role that we see the voluntary and community sector playing in delivering this. Whilst we are committed to providing support and resources to the VCS, this is in the context of significant cuts to our own budget as a result of government cuts. Efficiency and value for money will therefore need to be central to all the work we do in partnership with the sector.

8.10 The VCS strategy will inform the way the Council works with the sector in the future. This includes the recommissioning of the Community Fund, which is intended to commence with soft market engagement in April / May 2019, with the formal commissioning process running from June until November, giving significant time for the sector to work collaboratively and develop proposals.

8.11 When the Community Fund was commissioned in 2016, all £6m was allocated. When the fund is recommissioned, it is proposed that not all funding is allocated. This will provide the Council with the opportunity to divert resources to priorities that emerge in 2020/21 and beyond.

9. COMMUNITY FUND PROGRESS – YEAR 2

9.1 This section of the report provides an update on progress within the Community Fund programme. It is structured thematically against each of the five outcomes areas, as follows:

- Vibrant, responsible and connected communities
- A connected borough where no one is isolated
- Supporting residents to better times
- Leaving no child behind
- Homes for All

Overall the good work of year one has been further built upon in year two, ensuring that projects have extended their reach and improved on their delivery. The report illustrates this by detailing the various outcomes and achievements to date alongside accounts of the work from residents, staff and volunteers.

9.2 **Vibrant, responsible and connected communities** features infrastructure services and capacity building organisations including Green Spaces and Croydon BME Forum, Croydon Voluntary Action and Citizens' Advice Croydon. These organisations are providing much needed support to nurture the positive environment which people are keen to build to make their locality a better place to live in. They are supporting volunteering and encouraging people from all backgrounds and abilities to get involved in their local communities. They are also supporting work with the most disadvantaged communities, promoting access to services and challenging discrimination.

9.3 **A connected borough where no one is isolated.** This theme features a wide range of carers services, including statutory assessments and respite, which are delivered by carers organisations. This includes a focus on Mind in Croydon – Carers Support Partnership as well as Empowering the Women of Croydon, which supports women, especially those from BME communities, to develop their financial skills and abilities.

9.4 **Supporting residents towards better times:** The life chances, life experiences, incomes and wealth of residents vary markedly across the borough. This theme focuses on creating employment opportunities, access to affordable childcare, better work experience and job opportunities for young people, support for long-term sick and disabled people, improving health, particularly mental health and supporting the return to work. In this theme, there is a wide range of programmes including Active Mind – Mind in Croydon, Metro Charity – the Croydon HIV Healthy Living service and Parents in Partnership, Croydon. All these organisations are supporting individuals and families to be healthy and resilient and able to maximise their life chances and independence.

9.5 **Leaving no child behind:** This theme is focused on developing a children and young people's offer, creating an environment so that young people can be confident and resilient. A broad range of organisations are delivering within this theme, illustrated in the report by St Francis Church Youth Action for Monks Hill, the Asian Resource Centre of Croydon and Reaching Higher – Full Circle and Summerblitz. Between them they are providing support and help targeted

at young people transitioning from care to independent living, children requiring additional support, including educational support, and young people who want to contribute to their local community and need help with developing the skills to do so.

- 9.6 **Finding homes for all:** This theme focuses on preventing homelessness, providing advice and information to those people in housing need and at risk of homelessness, and engaging with and supporting people sleeping rough with a view to helping them “move off” the streets. The report details the work of South West London Law Centres – Croydon Legal Advice Clinic and the Crisis Skylight Croydon Project. Both programmes, alongside others funded by the Community Fund, provide advice and support in relation to housing, welfare, mental and physical health support needs.

10. CONTRACT MANAGEMENT

- 10.1 The contract management of the Community Fund represents a different approach for the Council with an enhanced focus on delivering outcomes and creating and tangible improvements for some of the borough’s most vulnerable communities.
- 10.2 In order to support and enable this change, the Council has developed a proportionate and flexible contract management framework. This has been an iterative process. The programme consists of 37 contracts with a diverse range of provision in contract value, size, scale, and scope. A one-size fits all approach, therefore, will not work; rather a bespoke level of the right checks and balances has been created which is reviewed annually. Following consultation with stakeholders a set of outcomes measures and quality assurance has been set with on-going discussions around the delivery of improved outcomes taking a proportionate and risk-based approach. This approach has worked successfully during the first two years of the programme and will inform the next stage of the programme.

11. CONSULTATION AND ENGAGEMENT

- 11.1 It is critical that a VCS strategy is informed by strong evidence and engagement with a range of VCS organisations across Croydon.

VCS Survey

- 11.2 In order to use the latest evidence and feedback, the Council implemented an engagement programme. It ran a survey between 7 December 2018 and 8 February 2019 to seek feedback from voluntary and community sector organisations. The survey was developed with input from across the Council, as well as through external challenge from another council and meetings with the infrastructure organisations in Croydon.
- 11.3 The survey was hosted online through the ‘Get Involved’ section of the Council’s website. It was circulated through the Council’s existing VCS networks across all services. It was also shared via the VCS infrastructure organisations, which have regular newsletters, e-bulletins and network meetings.

11.4 The survey included questions across a range of issues:

- Challenges and opportunities
- Support for the VCS
- Service sector and beneficiaries
- The size of VCS organisations
- Financial matters
- Geographical area of operation

11.5 216 responses to the survey were received. It is difficult to confirm a response rate; as we encouraged organisations to forward the link to the survey, we do not know the total number of organisations it was sent to.

Engagement events

11.7 In addition, two engagement events were held, on 22 January and 5 February, attended by a total of 113 representatives of VCS organisations and groups, both large and small. A wide range of needs groups and localities were represented.

11.8 The event included a number of questions that were considered in breakout group discussions.

Scrutiny & Overview Committee

11.9 A report was provided to the Scrutiny & Overview Committee on 11 February. This included information on the VCS sector, initial findings from the engagement activities and sought Member views to inform the strategy. An extract from the Minute of that meeting is attached as Appendix 3.

Findings from VCS Engagement

11.10 A SWOT analysis has been produced based on VCS responses through the survey, engagement event and interviews (see Table 2).

Table 2: SWOT analysis of the VCS in Croydon

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Passion and volunteers. • Resilient, given limited funding. • Able to access grants from other sources • People-oriented – listen to voice of user • Know their community and market: <ul style="list-style-type: none"> ○ reach places and people that statutory agencies cannot ○ act as mediator/link with community ○ increase community self-reliance ○ offer opportunity to get involved • Support people who fall below statutory service threshold • Flexible, personalised service: able to address complex needs • Focus on prevention and early intervention • Willing to collaborate, especially in a crisis, to counter hate crime • Faster: less red tape/governance rules 	<ul style="list-style-type: none"> • Some of VCS are unaware of funding available or lack bid writing and fundraising skills • Lack of skills to generate income • Staffing recruitment/retention due to low pay • Ability to expand services to meet demand • Governance: hard to attract skilled trustees • Many volunteers older/disabled; burn out. • Smaller organisations lack capacity to train volunteers • Unaware of other VCS services, limits partnership opportunities; risks duplication • Partnership development (for some organisations)

<ul style="list-style-type: none"> • Lower costs (use of volunteers helps) 	
<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • Collaboration within the VCS • Involving the community/service users • Delivery of statutory services through VCS (some resent this) • Work on employment and skills • Council/CCG commissioning • Social prescribing, Local Voluntary Partnerships • High volunteering rate in Croydon: tap potential of young people • Locality meetings – to gain knowledge of local provision and good practice. • Share back office functions and premises to cut costs • Sell services, let premises, crowd funding. • Cross-borough delivery. • Corporate Social Responsibility. • Regeneration of Central Croydon 	<p style="text-align: center;">THREATS (CHALLENGES)</p> <ul style="list-style-type: none"> • Funding: trust funds tend to support new projects; core funding is a challenge. Turns collaborators into competitors • Premises – unavailable or costly • Increasing demand • Sustainability of volunteering: more people work or are carers; young people needed • Not enough support to recruit/train volunteers • Increased training requirements: GDPR, safeguarding, social media. • Disproportionate monitoring • Council staff turnover: loss of knowledge and silo working –don't think of overall impact of decisions.

11.11 The main observations and recommendations made by VCS respondents are set out in Appendix 4.

12 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

Revenue and Capital consequences of report recommendations

12.1 Section 6 of this report provides a summary of the financial support provided to the voluntary and community sector.

12.2 In relation to the Community Fund, the total three year community fund budget is £6m. Further details of the groups who have received these fund are contained in Appendix 1 to this report.

12.3 Funding is distributed based on applications and outcomes and it is expected that this funding will generate significant benefits for the residents of Croydon, with outcome and benefits measured and reported periodically.

12.4 The Council recognises the important role the Voluntary Sector undertakes in this borough and will continue to work towards establishing schemes that target funding as appropriate to localities.

Risks

12.5 There is a risk that funding is misused and this is mitigated against by strong and close working relationships between the Council and fund recipients.

Future savings/efficiencies

12.6 At this stage no change in funding is expected for 2019/20, in line with the administration's commitment to maintain funding for the sector. It is anticipated

that investment in the Community Fund and community groups will continue to provide future benefits for Croydon, both financial and non-financial.

Approved by: Lisa Taylor, Director Finance, Investment and Risk and Section 151 Officer

13 LEGAL CONSIDERATIONS

- 13.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that offering incentives and assistance as suggested within the body of the report, the Council will need to be mindful of the State Aid rules which currently remain in force and which are proposed to remain in force during any transitional arrangements in relation to Brexit. Furthermore the UK government have stated that in the event of a no-deal Brexit, it is the government's intention to transpose EU State Aid rules into UK domestic legislation so that they will remain applicable post Brexit.
- 13.2 State aid rules apply as a matter of course to any assistance or advantage given on a selective basis by a public authority (such as the Council) to any organisations that could potentially distort competition and trade in the EU. The definition of state aid is deliberately very broad because 'an advantage' can take many forms. It is anything which an undertaking (an organisation engaged in economic activity) could not get on the open market. "Undertaking" in this context can include voluntary and non profit-making public or private bodies such as charities or voluntary sector bodies when they engage in activities which have commercial competitors. It includes self-employed/sole traders. State aid specifically includes such things as grants, loans, tax breaks, rate relief, the use or sale of a state (or Council) asset for free or at less than market price (such as peppercorn rent) etc. Not all State Aid is unlawful as there are certain defined exemptions. The De Minimis Regulation allows small amounts of aid – less than €200,000 over 3 rolling years – to be given to an undertaking for a wide range of purposes. In calculating whether any assistance or advantage falls within the exemption, it is worth bearing in mind that the €200,000 sum encompasses any assistance or advantage from any public body during the 3 rolling years, not just monies that the undertaking may have received solely from the Council. Records of aid granted must be kept and all the rules of the de minimis regulation must be followed in order for it to be claimed. If the EU Commission determines that assistance or advantage amounts to State Aid not falling within the exemptions, it can impose a range of sanctions, including a requirement that the state recover the aid in question, with interest. Any proposed indemnity to the recipient of aid will not only be unlawful and invalid, but also itself constitute aid. However a recipient of aid may themselves be able, on appropriate facts, to recover damages from the state/council on the basis of the recipient's legitimate expectation that the state/council would act lawfully
- 13.3. Beyond the state aid implications, there are no additional legal considerations arising from the recommendations within this report.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance

14. HUMAN RESOURCES IMPACT

- 14.1 There are no direct Human Resources implications for LBC staff arising from this report.

Approved by: Sue Moorman, Director of Human Resources

15. EQUALITIES IMPACT

- 15.1 An Equalities Analysis has been carried out to ascertain the impact of the proposed change on groups that share a protected characteristic. The key findings were that the VCS strategy does not have any potential negative impact on protected groups that share a protected characteristic. The strategy is robust and that the evidence shows no potential for discrimination and that all opportunities to advance equality have been taken.
- 15.2 Under the council's locality service model, partnership with the VCS is essential in order to achieve the priority outcomes set out in the Corporate Plan. Whilst the council is committed to maintaining the overall level of funding of the sector, a key aim of the VCS strategy is to ensure that the funding and other support that is given is focussed more effectively on those VCS organisations that are supporting the council's priority outcomes.
- 15.3 In developing the priorities that the VCS will be encouraged to support, regard has been had to the council's Corporate Plan and its equality objectives contained in the Opportunity and Fairness Plan 2016-20. In future, not only funding decisions, but also allocations of council community assets and subsidies, such as rent subsidy and discretionary rate relief, will take account of the degree to which the work of the VCS organisation in question supports the council's priority outcomes set out in the strategy. Policies will be developed and consulted on that implement this principle. Future decisions are expected to result in resources being focussed increasingly on activities that support priority outcomes and the council's equality objectives.
- 15.4 The council's equality objectives, adopted at Cabinet in April 2016, were developed on the basis of the findings of Croydon's Opportunity and Fairness Commission which provide a qualitative evidence base relating to the equality and inclusion issues in Croydon. Equality analysis of geographic inequality and that related to people who share a protected characteristic and those who do not is embedded in the Borough Profile that was published by the Council in December 2018. The equality objectives are:
- To increase the rate of employment for disabled people, young people, over 50s and lone parents who are furthest away from the job market
 - To reduce the rate of child poverty especially in the six most deprived wards

- To improve attainment levels for white working class and Black Caribbean heritages, those in receipt of Free School Meals and Looked After Children, particularly at Key Stage 2 including those living in six most deprived wards
- To increase the percentage of domestic violence sanctions
- To increase the reporting and detection of the child sexual offences monitored
- To reduce the number of young people who enter the youth justice system
- To reduce social isolation among disabled people and older people
- To reduce differences in life expectancy between communities

15.5 The VCS strategy invites the sector to propose activities that will support the council's priority outcomes, based on Corporate Plan priorities, and includes examples of activities that could be supported. A number will have a positive impact on aims of the Equality Act and address the Council's equality objectives and are set out below:

Social exclusion

Activities to help Croydon to become a more equal place, including information, advice and advocacy, community based support to tackle financial and digital exclusion, action to tackle poverty and gaps in equality (including health inequality), in particular through support for isolated and marginalised groups.

Age

Older people: Support for community interventions and activities that enable older people to live healthy, happy and independent lives for as long as possible, avoiding isolation and loneliness. Community support for older people with long term health conditions or dementia, and carers support services.

Children and young people: Services, activities and facilities that support the physical and emotional wellbeing of children and their families and encourage young people to aspire to be the best they can be. Awareness raising and prevention of trafficking, exploitation and FGM. Integrated youth work with young people in school and excluded from school that will divert them from offending and keep them safe from violence

Disability.

Support for community interventions and activities that enable disabled people to live healthy, happy and independent lives, avoiding isolation, loneliness and anxiety and improving access to employment. Community support for disabled people with long term health conditions, and carers support services.

Preventative early intervention enablement and support activities for physical and mental wellbeing. Community support for people with particular conditions, including HIV and mental health conditions. Contributing to partnership work to reduce hate crime.

Gender

Awareness raising and prevention of trafficking, exploitation and FGM. Support for lone parents (overwhelmingly women) that improves access to employment. Community responses to domestic abuse and sexual violence, which affects all parts of the community, including people in marriages and civil partnerships.

Sexual orientation and gender reassignment

Activities that promote community cohesion and festivals and cultural activities that are inclusive and diverse. Partnership work to reduce hate crime

Marriage and civil partnership.

Community responses to domestic abuse and sexual violence, which affects all parts of the community, including people in marriages and civil partnerships.

Religion and belief.

Activities that promote community cohesion and festivals and cultural activities that are inclusive and diverse. Partnership work to reduce hate crime

Race

The strategy pledges to ensure that VCS organisations from all of Croydon's diverse communities are aware of and able to access the infrastructure support that they need. It also invites VCS organisations to support activities that promote community cohesion and festivals and cultural activities that are inclusive and diverse. It also seeks support for migrants and people with no recourse to public funds, including help into jobs and reconnection to their home country. Contributing to partnership work to reduce hate crime.

Pregnancy and maternity.

Services, activities and facilities that support the physical and emotional wellbeing of children and their families. Support for lone parents (overwhelmingly women) that improves access to employment.

Approved by: Yvonne Okiyo, Equalities Manager

16. ENVIRONMENTAL IMPACT

- 16.1 The Council's financial contribution to the VCS includes funding to support projects that enhance the local environment, particularly from Community Ward budgets. It is not expected that there will be significant change in this area as a result of the strategy.

17. CRIME AND DISORDER REDUCTION IMPACT

- 17.1 The proposed VCS Strategy includes priorities that will contribute to the delivery of the Community Safety Strategy priorities.

CONTACT OFFICERS:

Gavin Handford, Head of Policy & Partnership and Sarah Warman, Director of Commissioning and Procurement

APPENDICES TO THIS REPORT:

Appendix 1: Community Fund Progress Report 2018

Appendix 2: Council Voluntary, Community and Social Enterprise Sector Strategy 2019-2023

Appendix 3: Extract from minute of Scrutiny & Overview Committee meeting on 11 February 2019

Appendix 4: Main observations and recommendations made by VCS respondents

BACKGROUND DOCUMENTS: None