



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Rural and Communities Overview and Scrutiny Committee

10 September 2020

Report of: Councillor Annie Mason

Cabinet Member for Communities



Voluntary and Community Group Funding

At a workshop held on 27th July 2020 with Members of the Rural and Communities Overview and Scrutiny Committee, participants discussed the various funding streams operated by the Council for the benefit of the voluntary and community sector in South Kesteven. This report provides background to that discussion, information relating to the funds available and outlines proposals to adapt the current criteria of the SK Community Fund to ensure that the funding available meets the needs of our residents and attains the furthest reach within our communities.

Report Author

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Corporate Priority:	Decision type:	Wards:
Administrative	Administrative	All Wards

Reviewed by:	Paul Stokes, Corporate Operations Lead	21 August 2020
Approved by:	Gary Smith, Strategic Director, Commercial and Operations	27 August 2020
Signed off by:	Councillor Annie Mason, Cabinet Member for Communities	28 August 2020

Recommendation (s) to the decision maker (s)

1. The Rural and Communities Overview and Scrutiny Committee is asked to recommend to Cabinet changes relating to eligibility, maximum grant allowed and the capping of the claiming period for awards to one year as per the amended SK Community Fund grant criteria at Appendix A.

- 2. The Committee is asked to consider the proposals to update the approach to future grant awards from 2021/22 onwards and recommend to Cabinet its preferred option as outlined at 1.26 of this report.**
- 3. Recommends to Cabinet that authority is delegated to the Strategic Director, Commercial and Operations, in consultation with the Cabinet Member for Communities, to finalise arrangements and enter into an agreement on behalf of the Council with Lincolnshire Community Foundation/similar groups, to enable greater pound for pound matching of grant funding.**

1 The Background to the Report

1.1 A working group of Members of the Rural and Communities Overview and Scrutiny Committee participated, along with the Cabinet Member for Communities and officers, in a workshop to discuss the Council's current and future involvement with the voluntary and community sector on Monday 27th July 2020.

1.2 This workshop covered five topics:

- Councillors – considering the important role Members play
- Conversation and Communication
- Working Together
- Celebrating Community Heroes
- Grants and Funding Pots

1.3 Other than the final topic, which is the subject of this report, verbal feedback from the workshop will be provided on all of the topics at the Committee's meeting on the 10th September 2020.

1.4 Members attending the workshop requested that a report be brought to the next meeting of the Rural and Communities Overview and Scrutiny Committee to outline the Council's current funding and support offer to the voluntary and community sector and to provide detail of proposed changes to these funding streams.

1.5 The council currently has three funding streams to directly support voluntary and community groups:

- **SK Community Fund**
Annual funding pot of £100,000 from 2020/21. Open to applications from constituted community groups for capital projects and events. Awards determined by a panel of elected Members based on agreed criteria.
- **Ward Member Scheme**
Annual funding pot – originally set at £26,000 for 2020/21 but increased to £56,000 as a direct response to the COVID-19 outbreak. Awards determined by individual elected Members.
- **Foodbank Support Fund**
2020/21 one-off support fund of £15,000 for Foodbank's located within South Kesteven. Via the completion of a simple form, Foodbanks can access this fund to support their operation in any way required and for any amount whilst there is funding remaining in the pot.

1.6 We also have **LotterySK** which provides a platform for groups to raise money through lottery ticket sales.

- 60p of every ticket sale goes to support local voluntary and community groups. For each £1 ticket purchased in support of a good cause registered, the group will earn 50p. The remaining 10p is allocated to the SK Community Fund. If the ticket purchaser does not identify a specific group to support the 60p is allocated to the SK Community Fund.

- 1.7 This report focuses on the SK Community Fund. It discusses its operation and impact to date and proposes amendments to its criteria.
- 1.8 Proposed changes discussed within this report will have no impact on the Ward Member Grant Scheme, LotterySK or the Foodbank Support Fund. These funding sources will continue to work to their current criteria.

Background to the SK Community Fund

- 1.9 The SK Community Fund was established in 2015 to offer financial assistance to voluntary and community groups for projects and events that benefitted the residents of South Kesteven.
- 1.10 From its inception, and until March 2020, the fund was administrated on the Council's behalf by Lincolnshire Community and Voluntary Service as part of a service level agreement between the two organisations.
- 1.11 Under its original criteria the fund is open to applications from constituted groups delivering projects under five generic headings:

Project Category	Types of Projects Supported	Minimum/ Maximum Grant Levels
Community Amenities	Outdoor facilities such as 'Multi-Use Games Areas', shelters, recreation areas, community orchards, footpaths	Min = £500 Max = £10,000
Community Buildings	Repairs, maintenance and alterations to village halls and other public buildings, contributions to new build community buildings and the purchase of equipment to be used in community buildings	Min = £500 Max = £10,000
Community Enterprise	Projects which generate an ongoing revenue stream for a community such as community owned pubs, shops, cafes, and community tourism initiatives	Min = £500 Max = £10,000
Supporting Communities	Supporting the work of organisations that support communities, including social enterprises, support organisations and Neighbourhood Plans (to support the delivery of projects in Community Led/ Neighbourhood Plans)	Min = £500 Max = £10,000
Community Events	Community celebrations, sports events, street festivals, arts and cultural events.	Min = £200 Max = £5,000

- 1.12 The fund criteria allowed applicants to seek up to 80% of project costs up to a maximum of £10,000 for all but community events which had a maximum contribution of £5,000.
- 1.13 Across the 18 funding rounds that have taken place since the fund was introduced it has supported 93 capital projects and events amounting to awards offered totalling £553,679. Much of this funding has been sought to refurbish village and community halls, sports fields and play areas.
- 1.14 In March 2020 our agreement with Lincolnshire CVS came to a natural end and it was determined that the administration of the fund be brought in house. To this point the funding pot of £150,000 had been included in the annual budget proposals. The budget for 2020/21 reduced the fund to £100,000 per annum. These changes provide a sensible point to review

the criteria of the SK Community Fund to ensure that it continues to meet the needs of the community and the priorities of the Council.

The Impact of COVID-19

- 1.15 The fund was originally scheduled for review in March 2020 to make the necessary changes resulting from the change of administrative process and the reduction in available funding. The fund was temporarily closed to applications so that the necessary changes could be made.
- 1.16 The review was put on hold at the start of the nation-wide lockdown resulting from the COVID-19 pandemic and the Fund remains closed to applications until the review is completed.
- 1.17 Connection with local voluntary, faith and community groups increased significantly at this time as they worked collaboratively with the Authority through its SK Community Hub to support the needs of the vulnerable during lockdown.
- 1.18 Our connection to the voluntary and community sector has never been stronger and it is evident that COVID-19 and their un-failing commitment to support local communities throughout lockdown has come at a cost – both financially and emotionally.
- 1.19 The changes proposed in this report to our most significant funding stream are intended to strengthen the connection we have with these groups. Amendments to the SK Community Fund will make it fit better with the identified needs in our communities whilst maintaining a support package available to constituted groups across our district.
- 1.20 Issues around mental health and wellbeing; social and rural isolation and our support for projects which tackle them have been debated for some time but never more than during the recent lockdown period response to the COVID-19 pandemic.
- 1.21 Whilst many within communities rallied in practical support of their neighbours, mental health suffered, and feelings of loneliness and isolation were felt more acutely.

Proposed changes to the criteria of the SK Community Fund

- 1.22 This report seeks support to recommend to Cabinet amendments to the criteria of the fund to increase opportunities for voluntary and community groups working to raise awareness and reduce the negative impact of poor mental wellbeing, loneliness and social and rural isolation.
- 1.23 Proposals for change, given the reduced budget available within this funding stream, are for the maximum grant allowance to be streamlined so that all applications would qualify for a grant of up to £5,000 toward the cost of a project or event. This would bring all awards from the SK Community Fund in line with the current maximum grant allowed for applications in the community events category and help to ensure that funding remains widely available to support projects within the District.
- 1.24 Further changes include the introduction of a new grant category in support of projects that address mental health, social and rural isolation and loneliness. The claiming period for awards will be reduced from two years to one year to provide parity with the budget process and it is also proposed that parish and town councils are removed from the eligibility criteria as they have alternative means of raising revenue to meet their localised spending requirements such as the Town and Parish Council Precept.

- 1.25 It is intended, on recommendation from Members, that these changes take immediate effect to allow the Fund to re-open for applications. The criteria for the Fund which include the changes outlined in 1.23 can be found at appendix A.
- 1.26 Members are further asked to consider and make recommendation on the future operation of the Fund for 2021/22 onwards based on the following options:
- To maintain the status quo of the SK Community Fund leaving the funding pot open to all eligible groups.
 - Increase focus on areas of priority by leaving the funding pot open to all eligible groups but apportion it so that, in its first year, 20% of the total would be ringfenced for applications relating to mental health and wellbeing, loneliness and isolation.
 - Increase focus on areas of priority by leaving the funding pot open to all eligible groups but build into its criteria a weighting mechanism for individual applications so that projects supporting areas of priority would score higher than general applications.
- 1.27 Under the first option the Fund would continue in its current format but with the introduction of the new category in relation to the areas of priority.
- 1.28 Option two would allow the Fund to be more focused on areas of priority through the ringfencing of funding to support priority projects. This option would not be actioned until the next financial year (2021/22). Under this option it is further proposed that this percentage split is increased to a 30/70% allocation in 2022/23 and 40/60% split in 2023/24 in favour of the areas of priority as the voluntary and community sector develops and adapts and evidence of need is identified. Apportioning the fund in this way would create a concentrated focus for how we want to distribute grant funding across the district however, demand on each allocation could potentially cause imbalance if the funding is ringfenced in this way, resulting in over-subscription to one part of the pot and under-subscription in the other.
- 1.29 Option three would also allow the Fund to be more focused on areas of priority by use of a weighted scoring matrix for applications eligible for funding. This approach, whilst still favouring the priorities (projects of priority scoring higher on the matrix), would mean the Fund remains open to all. Operating to this method would ensure an equitable approach to eligibility for funding for projects across the district and provide opportunity to gain evidence of demand from within the voluntary and community sector for funding to projects that meet the priorities. The potential negative to operating the fund in this way is that the funding pot could continue to only be utilised for the more generic projects and not provide the impetus for the voluntary and community sector to deliver projects that meet the identified priorities. As with option two, this option would not be introduced until the financial year 2021/22.

Further funding opportunities and initiatives

- 1.30 The Council is currently working in collaboration with the Lincolnshire Community Foundation (LCF) to raise funds via a Total Giving crowd funding initiative to support local groups working across our district as a direct response to the COVID-19 crisis. To further maximise the funding offer available to voluntary and community groups in South Kesteven we are also exploring further opportunities to work with the LCF to boost our funding offer whereby the Foundation can match pound for pound an agreed proportion of the funding we have to support voluntary and community groups.

- 1.31 We will continue to explore with the LCF potential options for mutual benefit and seek support to enter into an agreement with the LCF if a good arrangement can be reached.

Going Forward

- 1.32 A single grant register has been established to reduce the risk of double funding of groups applying to more than one funding pot for the same project. This will mean that grants from the SK Community Fund, Foodbank Support Fund and Ward Member Grant Scheme cannot unknowingly give grants to the same initiative.

2 Consultation and Feedback Received, Including Overview and Scrutiny

- 2.1 Feedback from the workshop held on 27th July 2020 has been included in this report.
Feedback from the Committee is welcomed and will be included within any subsequent report to Cabinet.

3 Available Options Considered

- 3.1 Alternative options are contained within this report.

4 Preferred Option

- 4.1 The preferred option in relation to the future of the Fund is to leave it open to all eligible groups but to build into its criteria the additional category which focus on areas of priority. Those being: mental health, social and rural isolation and loneliness.

5 Reasons for the Recommendation (s)

- 5.1 The recommendation to amend the criteria will allow for the Fund to re-open to applications. and apportion funding will give weight to the Council's priorities
- 5.2 Recommending the introduction of priorities to reduce loneliness and isolation and will further assist groups and charities to work in communities to positively impact on mental health and mental wellbeing.
- 5.3 Working in partnership with others to boost our funding offer will enable greater match funded grants and to consider opportunities for some strategic/thematic campaigns around issues/geographic areas of priority.

6 Next Steps – Communication and Implementation of the Decision

- 6.1 Following feedback from the Rural and Communities Overview and Scrutiny Committee a report encapsulating comments and recommendations from Members will be prepared to go to Cabinet for a key decision to be made on the agreed amendments to community funding.

7 Financial Implications

- 7.1 The financial governance arrangements in respect of the Fund administration are robust and the proposal to reduce the claim period from 24 to 12 months will improve the accuracy of committed funds that otherwise could be made available to other schemes. The allocation of funding for the community fund scheme (and all the other funds referred to in the report) are considered by Council on an annual basis and therefore the options for future allocations are subject to Council funding being approved each financial year.

Financial Implications reviewed by: Richard Wyles, Interim Director of Finance

8 Legal and Governance Implications

8.1 There are no further legal implications other than as set out in the report.

Legal Implications reviewed by: Shahin Ismail, Director of Law and Governance

9 Equality and Safeguarding Implications

9.1 The SK Community Fund remains open to applications from constituted voluntary and community groups. The process is equitable and awards from the Fund are determined on set criteria that are applied by an awarding panel of Elected Members. The potential for positive impact and opportunities to foster good relations are increased if agreement is reached through this committee and Cabinet to actively seek applications that tackle issues such as social isolation, loneliness and mental health and wellbeing.

10 Risk and Mitigation

10.1 No high-level risks identified.

11 Community Safety Implications

11.1 None identified.

12 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

12.1 Not applicable.

13 Other Implications (where significant)

13.1 None identified.

14 Background Papers

14.1 [Community Fund Criteria for Application 2015](#)

14.2 [Review of Community Fund 2017](#)

15 Appendices

15.1 Appendix A – SK Community Fund Criteria

Report Timeline:	Date of Publication on Forward Plan (if required)	Not required
	Previously Considered by: Rural and Communities Overview and Scrutiny Committee	18 June 2020
	Final Decision date	10 September 2020