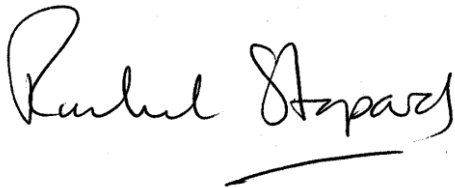


LONDON BOROUGH OF CAMDEN	WARDS: ALL
REPORT TITLE A NEW STRATEGIC RELATIONSHIP WITH THE VOLUNTARY SECTOR (S&OD/2015/02)	
REPORT OF CABINET MEMBER FOR ADULT SOCIAL CARE AND HEALTH	
FOR SUBMISSION TO CULTURE AND ENVIRONMENT SCRUTINY CABINET	DATE 10th DECEMBER 2015 16th DECEMBER 2015
SUMMARY OF REPORT <p>The historical relationship between the Council and the local voluntary sector (VCS) has always been strong and based on shared values and commitment to putting Camden people at the heart of what we do. The unprecedented budget cuts and national policy changes means it is more important than ever to build on this strength, as well as recognise the benefit of supporting communities in a more collaborative way.</p> <p>Local organisations play a unique role in prevention and in identifying and tackling need in our neighbourhoods. We can only deliver the Camden Plan by working together. Recognising the added value and investment that the VCS bring into Camden, we are therefore committed to financially supporting the sector.</p> <p>This report outlines both the key funding and relationship aspects of that new deal with the sector, including a new investment programme. It is proposed that we continue to invest over £5million a year in the sector - one of the largest local authority investments in the VCS in the country. This is only one part of helping to ensure a sustainable local voluntary sector; the report also makes proposals to maximise the much greater amount the Council spends with VCS organisations through commissioning of services and also to play its part in bringing in increased funding from external sources.</p> <p>The recommendations in this report follow and have been informed by informal engagement over 2015 and a formal consultation which ended on 4 November.</p> <p>Local Government Act 1972 – Access to Information The consultation document can be found at this link.</p> <p>Contact Officer: Fiona McKeith, 020 7974 1547, fiona.mckeith@camden.gov.uk Matthew Upton, 020 7974 4323, matthew.upton@camden.gov.uk 5th floor, 5 Pancras Square, London N1C 4AG</p>	
WHAT DECISIONS ARE BEING ASKED FOR? The Culture and Environment Scrutiny Committee is asked to note the proposals and provide any comments for Cabinet to take into consideration.	

Cabinet is asked to:

1. Note the results of the consultation with the VCS and endorse the proposals for a new strategic relationship and the objectives outlined in section 3.1.
2. Agree a new annual VCS investment programme budget of £5.1m from 2016/17, a reduction of £0.7m from the budget for 2015/16.
3. Agree the amounts allocated to the Strategic Partners Fund and Community Impact in section 3.3. The Strategic Partners Fund will allocate funding from January 2017 – January 2024, with a review in 2020/21 as set out in Appendix A.
4. Agree that in principle any annual underspend for the Community Impact budget roll over to the following financial year. This would be subject to consideration of the overall financial position of the Council as determined by the Director of Finance.
5. Agree that decisions on funding for infrastructure support (funding to help local organisations thrive) and funding for the Communities and Third Sector Team (outlined in section 3.5) are delegated to the Director of Culture and Environment in consultation with the Cabinet Member for Adult Social Care and Health. This will be £605k - £805k per year depending on the amount allocated to the Strategic Partners Fund outlined in section 3.3.
6. Agree that VCS organisations which currently have no lease in place will be required to enter into the standard VCS lease, where the council determines this is appropriate, by 29 February 2016 in order to be eligible for interim funding for 2016/17.
7. Agree that VCS organisations which currently occupy premises under commercial lease arrangements, will (i) be required by 29 February 2016 to confirm they accept the principle of entering into a VCS lease and (ii) will be required to enter into the standard VCS lease by no later than 30 April 2016, after which only commercial leases will be offered to such organisations in occupation of Council premises, with the exception of those VCS organisations which have premises re-provided as part of the Council's Community Investment Programme.
8. Agree that any organisation occupying Council property must have a completed lease in place where the Council determines this is appropriate in order to access any funding from the Council including S106/CIL, contract and grant commissioning. Responsibility for this is delegated to the Director of Finance in consultation with the Borough Solicitor.

Signed: Rachel Stopard, Deputy Chief Executive (Transformation & Partnerships)



Date: 1st December 2015

1 WHAT IS THIS REPORT ABOUT?

- 1.1 This report outlines arrangements for a new relationship with the voluntary and community sector (VCS), which reinforces the Council's ongoing commitment to a strong and vibrant sector.
- 1.2 The vision for this new relationship, and its objectives, has been developed through engagement and consultation with the sector over the past 12 months.
- 1.3 This report also outlines a new investment programme designed to support this.

2 WHY IS THIS REPORT NECESSARY?

- 2.1 The report is required in order to put in place the arrangements for a new and sustainable relationship between the Council and the VCS – so that we can most effectively work together to improve the lives of people in Camden, and provide the support that they need.
- 2.2 Camden is fortunate to have a strong and vibrant voluntary sector with over 500 organisations in the borough delivering services and advocacy to the community. The Council currently provides funding in various ways for over 200 of these organisations. But there are many others which do not receive funding from Camden Council which also contribute towards improving the lives of local people.
- 2.3 The unprecedented funding pressures that are being experienced across all public services mean that change is unavoidable. By 2017 our funding from central government will have been cut in half, and further cuts are to come. Cabinet agreed a £1m reduction in our VCS investment programme (£5.8m in total) in December 2014. This was part of our wider £73m savings programme set out in the Medium Term Financial Strategy (MTFS).
- 2.4 We need to maximise the impact of all organisations in helping to deliver the Camden Plan. This is particularly important given the size of cuts the Council is facing. More than ever, tackling inequality is not something that can be done without working in collaboration with public, private and VCS partners.
- 2.5 Organisations have also told us that there is not always an equal relationship and that the sector should have more input into how services are designed and commissioned. They also said that the way the Council viewed its investment in the voluntary sector was not always joined up, which meant that we weren't collectively making as big a difference as we could.
- 2.6 It is therefore necessary to take a refreshed look at our relationship with the VCS.
- 2.7 Recognising the importance of a vibrant voluntary sector in supporting our communities, we want to ensure that we continue to be a significant investor in, and commissioner of, services from the VCS, so that the sector can continue to thrive.
- 2.8 For the past 12 months, we have been working with the voluntary sector on what this new relationship should look like, culminating in a formal consultation from September to November. We looked at all aspects of our relationship, including direct spending through the Communities & Third Sector team (CTS), and how we involve organisations in identifying local need and priorities.

2.9 The results of this engagement are set out in the following section, and form the basis of the recommendations in this report.

3 PROPOSED NEW DEAL

3.1 Taking messages from the sector into account, we therefore propose that the new relationship is based on the following three objectives:

1. Increase the opportunities for VCS expertise and knowledge to inform the design and delivery of services, so that we can improve outcomes for our residents.
2. Maximise the use of property assets, including the 101 Council-owned premises occupied by the VCS, to better deliver services and to encourage sharing of space.
3. Build resilience in our communities by collaborating to make the most of the added social value which the VCS brings, including attracting new funding into the borough.

3.2 The table below illustrates some of the key benefits and changes for the sector. The following sections outline how we will deliver these objectives, including proposals for direct investment in the VCS, and how we are looking to change how we work as a Council.

Benefits to the sector	Key changes for sector	Benefits for residents
<ul style="list-style-type: none"> • Unrestricted funding (i.e. the organisation can choose how it's spent) gives increased autonomy for the sector • Commitment to 7 years funding of strategic partners gives unprecedented security • Opportunities to innovate and collaborate in joint problem solving • Fairness in distribution of funds – dictated less by who occupies council buildings • Funding realigned to areas where the need is greatest • A continuing community rent subsidy for organisations in our buildings as a VCS lease is inclusive of a 35% discount on what is already often a discounted rate due to premises condition or restrictions on use (D1 community usage) • New VCS group established to give VCS more influence 	<ul style="list-style-type: none"> • Organisations based in council building must have a lease in place to get funding • Strategic partners need to demonstrate willingness to meet a number of criteria including an openness to share space with smaller organisations, acting as a voice for the community and promoting healthy lifestyles in communities 	<ul style="list-style-type: none"> • A strong voluntary sector making a difference for local people – with support in all parts of the borough • Public, private and voluntary sector organisations working more closely together on common outcomes

Funding

3.3 Cabinet is specifically asked to agree the following funding arrangements:

- a) A new VCS Investment Programme of £5.1m per year from 2016/17. This is a reduction of £0.7m per year from 2015/16 (see table below)
- b) How £2.8m - £3m of that programme is spent. This will replace the current funding streams used for Rent Relief, Community Centres, Open Spaces for Young People and all project funding. This funding would be comprised of:
 - A Strategic Partners Fund (£1.8m to £2m) and
 - Community Impact initiatives (up to £1m).

Aspect of funding	Proposed annual amount	Relevant information
Strategic Partners Fund	£1.8m - £2m	Seeking decision from Cabinet
Community Impact	Up to £1m	Seeking decision from Cabinet
Camden Advice Partnership	£1.25m	Already committed
London Councils grant scheme	£0.245m	Already committed
Infrastructure funding & investment in Council support staff	£0.6m - £0.8m	Seeking delegated decision making authority from Cabinet
Total	£5.1m	

- 3.4 Funding for the Camden Advice Partnership has already been allocated, and the London Councils grant scheme is not negotiable. Cabinet is therefore not asked to make a decision on these components.
- 3.5 Decisions on infrastructure and staff support (the latter would be reduced by at least 25%) will be made separately over the course of 2016/17, as part of an ongoing conversation with the voluntary sector about their needs.

The Strategic Partners Fund

- 3.6 VCS organisations told us how important core funding was not only to help them thrive, but to enable them to leverage additional investment into Camden. Continuing to have such a large budget is a demonstration of our commitment to a strong sector.
- 3.7 Key characteristics of how this fund would work include:
- Targeting parts of the borough and equalities groups that have the highest need, although funding will also be allocated to areas with relatively lower levels of deprivation to reflect localised pockets of deprivation and the importance of prevention;
 - Organisations funded to tackle inequality at local or borough wide level;
 - Partnership working being encouraged, but not forced;
 - In order to drive innovation, organisations would receive unrestricted funding which means they decide themselves how best to use the funds to deliver outcomes;
 - Funding can be awarded up to seven years (although levels of funding may change given the financial context);
 - A monitoring framework co-designed with the VCS focused on strong governance and information sharing which can support achievement of outcomes;
 - Replacement of rent relief although organisations can choose to spend their portion of the Strategic Partners Fund on rent if they wish.
- 3.8 Current rent relief accounts for £1m of the existing VCS investment programme which will become increasingly unsustainable as a proportion of overall spend. Reinvesting the money currently used for rent relief into a Strategic Partners Fund allows us to align what we have left, and support equality groups who have not previously benefited from longer term funding.
- 3.9 Current arrangements for rent relief also results in a lack of equity between those organisations which are in our buildings and those which are not. Many VCS organisations in Council properties already benefit from rent which is in many cases lower than the full commercial rent (as they are designated for community usage) and we are offering where

appropriate, VCS leases which give a further 35% discount. Therefore, these organisations would continue to benefit from a community rent subsidy.

3.10 More detail on how this fund would work is outlined in Appendix A.

Community Impact

3.11 This fund is intended to set up initiatives that better align the efforts of public, private and voluntary sector organisation in a particular geographical area or issue. The Camden Plan is incredibly ambitious in its aim to tackle ingrained social problems such as child obesity and unemployment that public sector organisations have struggled to resolve for decades. With such large cuts to our budget, it is more important than ever to work jointly towards common outcomes and to align our efforts with that of the voluntary sector. With such a strong focus on tackling inequality within the Camden Plan, it is likely that organisations working with specific equality groups would be a key part of these initiatives.

3.12 Key characteristics of successful initiatives include:

- Inclusivity – ensuring the value of smaller organisations is drawn on;
- Ability for the VCS to identify the problems that might be suitable for a community impact approach;
- Vary in duration, but likely to be between one and three initiatives at any point – there may be a greater number if deemed appropriate;
- VCS investment programme funding only used where there are VCS involved, and funding awarded to the VCS organisation;
- Any underspend is carried forward – to reflect the need for different levels of funding needed at different times.

Maximising our investment in the VCS

3.13 In addition to the direct investment, we are proposing to maximize the investment we make in the sector through our wider spending, and to leverage in more money from other sources.

3.14 It is proposed that we set up a new VCS advisory group, reflecting the diversity of Camden and the sector, along with cross Council representation. This group would be flexible in order to support with different aspects of the Council's relationship with the sector, and would support with:

- Enabling increased commissioning from the VCS – particularly locally;
- Greater emphasis on social value as part of the procurement process;
- Working together to attract other funding, including Corporate Social Responsibility opportunities;
- Developing approaches to maximise use of premises for community benefit;
- Look at how other funding sources, such as the Community Infrastructure Levy could be spent on local organisations.

4 OTHER OPTIONS

4.1 Funding to the voluntary sector is discretionary (i.e. not required by law); so one option given the financial challenges would be to make savings beyond the proposed £0.7m per year. A number of other boroughs either intend to, or already have, cut the vast majority of direct investment in the voluntary sector. This is not recommended as it is clear that

voluntary sector investment not only brings a large amount of additional investment into the borough, but also helps achieve the ambitions within the Camden Plan ranging from reduced unemployment to tackling health inequalities.

- 4.2 Another alternative would be to make less or no saving from our investment in the VCS. However, this is not recommended given the size of cuts facing the Council. A continued investment of £5.1m per year from what is a discretionary budget is a significant demonstration of the Council's commitment to a sustainable VCS. It marks a smaller relative funding reduction than most other discretionary services have faced in Camden, and is smaller than reductions in most other local authorities.
- 4.3 Another alternative for Cabinet would be to make savings in a different way from the proposals in section 3. Given that there has been a long period of engagement and consultation with many different organisations, it is proposed that the recommendations in this paper offer the best options in moving forward. This paper outlines the rationale for those proposals.

5 WHAT ARE THE REASONS FOR THE RECOMMENDED DECISIONS?

- 5.1 Extensive consultation and engagement has taken place with voluntary sector organisations over the past year to get to this point. The recommendations in this report enable us to link the investment in a more strategic way into the three objectives outlined in section 3.1 for a new, more strategic and sustainable relationship.

6 WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

- 6.1 The current rent relief, community centres funding and Open Spaces funding were due to end in March 2016. To avoid a gap or uncertainty, these funding arrangements have been re-awarded, subject to conditions, up to December 2016. In addition a small number of equality groups have been awarded funding in principle; these are groups which have been identified as at risk, have previously relied on short-term project funding and represent communities which are not funded by other means. For the new Strategic Partners Fund, the intention is for an application process to start in January 2016 with awards made in May 2016 and funding starting from January 2017.
- 6.2 As funding changes, some organisations will either lose funding, or face reductions in funding. This could particularly impact any organisations that currently get rent relief and are unsuccessful in applying for Strategic Partner Funding. These organisations will be offered transition support. This will include organisation market development support to explore opportunities to diversify income or change business model, alongside access to transition funding for a number of organisations. This funding may be used towards rent, but is unlikely to equate to the previous rent relief award. The funding would be provided over three years up to December 2019. Decisions on transition funding will be made by the Director of Culture and Environment in consultation with the Cabinet Member for Adult Social Care and Health.
- 6.3 There are some organisations who are commissioned to deliver services by other parts of the Council and benefit from rent relief from the current VCS investment programme; for example, some providers of play services. A number of these organisations will also be eligible for transition funding. This is a cross-council approach and as rent relief stops, services will give due regard to the cost of premises; for example, including it in unit costing when commissioning contracts. It is important to note that proposals in this report to end

relief only apply to cases where rent relief is funded by the existing VCS Investment programme. This does not include, for example community libraries or other specific organisations for which individual agreements have been made. It is our intention over time to move away from rent relief across the whole organisation.

7 WHAT ACTIONS WILL BE TAKEN AND WHEN FOLLOWING THE DECISION AND HOW WILL THIS BE MONITORED?

- 7.1 If proposals are agreed by Cabinet, notifications will go out to all relevant organisations confirming the timeline and the process; this will include the need to have a completed lease by 29th February 2016 to be eligible for funding. This also applies for an organisation to be eligible for interim funding awards from April 2016. These leases would have to be completed in the Council's standard form and organisations would be supported by relevant council departments. Confirmation of interim funding will also go to relevant currently funded organisations. An application process for the Strategic Partners Fund will launch early in the New Year with award decisions made in May 2016 and new funding arrangements in place from January 2017.

8 LINKS TO THE CAMDEN PLAN OBJECTIVES

- 8.1 The strength of the voluntary sector in Camden is that it contributes towards every outcome in the Camden Plan; local organisations are an integral part of tackling inequality in all its forms. The Camden Plan is clear that partnerships have to work differently and more collaboratively in the future; a new strategic relationship with the sector is at the heart of this. Strong local organisations are also a key part of building sustainable communities which support each other.

9 CONSULTATION

- 9.1 Discussions about a new strategic relationship with the sector began in December 2014, and involved extensive engagement through the summer and an 8 week consultation from September to November 2015. These findings have informed all of the proposals within this report; there were very different views from different organisations. There was support for unrestricted funding for both neighbourhood based organisations and equality groups, but a worry that funding would be insufficient and a view from many organisations that rent relief should be retained. There was also a strong view that the Council should have a more holistic view of its investment in, and relationship with the VCS. A more detailed summary of the consultation findings is in Appendix B.
- 9.2 Appendix B also outlines the specific changes that have been made to proposals following consultation. This includes an increase in the minimum amount of Strategic Partners Funding and an agreement to use more than just the Indices of Multiple Deprivation to allocate funding.
- 9.3 An EIA has also been carried out – see Appendix C. Specific impacts include a potential reduction in overall funding for equalities outcomes. It is intended that this will be mitigated by the development of a long term unrestricted fund for equalities groups which provides greater flexibility to meet equality outcomes and more stability than previously available. Feedback from the sector also suggests that unrestricted funding enables organisations to attract additional external funding, which should further increase equalities outcomes for residents. In addition KPI's will be designed into the Community Impact Initiative including tracking spend to tackle inequalities and respective equalities outcomes. Modelling

demonstrates that a 30% spend on equalities through the Community Impact Initiative budget would bring funding for equalities into line with programme current levels.

- 9.4 The EIA also specifically identified that smaller equality groups may not be able to benefit directly from the new investment programme. It is intended that this would be mitigated in the following ways; having a specific focus on small groups as part of the externally commissioned infrastructure support; ensuring they are appropriately resourced to benefit from Community Impact Initiatives; building criteria into the Strategic Partner Funding that requires support for smaller equalities groups; prioritising small equalities groups in receipt of rent relief for the transition funding awards.

10 LEGAL IMPLICATIONS (comments from the Borough Solicitor)

- 10.1 Note (1) these are provisional. (2) further legal comments already inserted in the report
- 10.2 Regarding the consultation, while not required to accord with the views of the majority, the Cabinet needs to carefully consider the results of the consultation and take it into account within its overall consideration of the recommendations. In particular it is important that officers have taken the results into account when formulating their recommendations and for example considered any alternatives proposals that may have been suggested. Members should also content themselves that it was a reasonable, proportionate and effective exercise which meets the basic requirements of good consultations being that it was clear, had enough time allowed to ensure adequate participation and that the results have and will be fully taken into account.
- 10.3 In addition the impact upon equalities needs to be considered and due regard given to it. The obligations upon the Council are summarised at:
<http://www.camden.gov.uk/ccm/content/community-and-living/your-local-community/equalities/equality-impact-assessment-en?page=4> and these need to be considered in light of the Equality Impact Assessments at Appendix C.
- 10.4 In summary the legal obligations upon us in regard to equalities requires the Council when exercising its functions, to have 'due regard' to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.
- 10.5 A 'protected characteristic' is defined in the Act as:
- Age;
 - Disability;
 - Gender reassignment;
 - Pregnancy and maternity;
 - Race; (including ethnic or national origins, colour or nationality)
 - Religion or belief;
 - Sex;
 - Sexual orientation.
- 10.6 Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.
- 10.7 Having due regard to the need to 'advance equality of opportunity' between those who share a protected characteristic and those who do not includes having due regard to the

need to remove or minimize disadvantages suffered by them. Due regard must also be had to the need to take steps to meet the needs of such persons where those needs are different from persons who do not have that characteristic, and encourage those who have a protected characteristic to participate in public life.

10.8 The steps involved in meeting the needs of disabled persons include steps to take account of the persons' disabilities. Having due regard to 'fostering good relations' involves having due regard to the need to tackle prejudice and promote understanding. It should be noted that complying with the duty may involve treating some people better than others, as far as that is allowed by discrimination law.

11 RESOURCE IMPLICATIONS (comments from the Director of Finance)

11.1 This report details a new investment strategy programme for the VCS, which meets the MTFS savings target and provides a more strategic and sustainable relationship with voluntary sector partners.

11.2 The savings of £0.7m for VCS build on a saving of £1m outlined in the December 2014 MTFS which has already been delivered.

11.3 Section 3.11 refers to the Community Impact Initiatives budget and states that uncommitted spend in each year would be rolled over to the following year. Approval of the carry forward of a budget underspend is a Cabinet decision as recommended by the Director of Finance. This is done annually and is subject to consideration of the overall financial position of the Council at the end of each financial year.

11.4 It is intended that an underspend against the Community Impact Initiative budget will be carried forward each year to allow the funding of the projects to follow the expenditure profile of the projects, though this will depend on the overall financial position at the end of each financial year.

11.5 An annual investment of £5.1m is a significant amount, and whilst the award of funding for Strategic Partners of up to seven years from January 2017 will provide security to the sector, any agreements should allow the Council to vary the funding given the uncertainty around future Council funding.

12 APPENDICES

Appendix A – The Strategic Partners Fund

Appendix B – Summary of consultation

Appendix C – EIA (This document is appended separately)

REPORT ENDS

APPENDIX A - The Strategic Partners Fund

1. The borough will be divided into eight zones, with levels of investment allocated for each determined by the levels of need within a zone as evidenced by the Indices of Multiple Deprivation (IMD) and also population. This way there is a balance between targeting funding where it is most needed, while at the same time recognising that where we have a high density of population, regardless of deprivation, residents in these areas need accessible community resources. The zones are comprised of 22 neighbourhood profile areas, which themselves are made up from Lower Super Output Areas (LSOAs) where need can be accurately measured. The neighbourhood areas are defined by where residents identify themselves as living, or by other constraints such as main roads. As such they don't always fit ward boundaries. Grouping them together into zones simply provides a framework to reflect the indicative funding need of a part of the borough. It is local information on need, the Joint Strategic Needs Assessment (JSNA) and also equality information which will also inform the outcomes sought for communities on both a local level and cross borough.

Significant funding will also be allocated to those zones with relatively lower overall levels of deprivation. This is both to reflect that there are localised pockets of deprivation, and to ensure we can invest to prevent problems before they occur.

All of this means there may be some movement in funding from one part of the borough to another, when compared to how funding is currently allocated.

2. To access this funding, organisations or partnerships will be asked to demonstrate how they are best placed to deliver outcomes around inequalities, either at a local level or at a thematic, borough-wide level. This would work as follows:
 - At *local level* – Organisations or partnerships would need to support and strengthen one of the eight investment zones, providing space for delivery of community services, having reach into marginalised communities, promoting inclusion, and attracting inward investment.
 - At *thematic, borough-wide level* - Organisations or partnerships would work across Camden to address one or more of the following equalities characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation, or the needs of socially marginalised groups. Previously, equality groups could largely only access funding through relatively short-term and insecure project funding streams; this will open up core funding to those organisations to help strengthen them.
3. We would encourage partnership working as part of the new fund, although partnerships would not be forced. Applications for funding would be able to come from both individual organisations and partnerships and there would be no top down exercise to match organisations.
4. Strategic Partner funding would be unrestricted (this means the organisation can choose how it is spent) which is designed to drive innovation within the sector as organisations can be freed up to meet the needs of local residents. Funding would be awarded for up to seven years from January 2017: a key message from the sector was about security and sustainability and this is an unprecedented move to provide this. Given likely future cuts from Government, there would be a reduction linked to the Council's financial position and funding from Government. Local needs and demographics may also change over seven

years so new data would also be used as part of this review of funding amounts in 2020/21. This does not mean that organisations would have to reapply for funding; it is the level of funding that would be reviewed for 2020/21 (with a view of the new funding level being implemented through to January 2024) not which organisations receive funding.

5. A key aspiration of the Council's new approach has been to have a more equal relationship with the sector and a proportionate approach to how we work alongside and assess the success of organisations. It is also important that any underperformance can be effectively managed. Therefore, we will work with the sector to develop an appropriate approach, potentially through the newly established VCS advisory group.
6. Funding would also be subject to other conditions such as strong governance and financial sustainability. Strategic Partners would need to show a range of factors, including a willingness to share space with other organisations, to act as a voice for the community, provide strategy support and advice to the council to help deliver services, to explore digital solutions and to promote healthy lifestyles in communities. In line with Council policy, any organisation in receipt of over £100,000 in funding would need to either pay the London Living Wage (LLW) or have plans in place to do so by 2017.

Rent relief

1. The Strategic Partnership Fund would replace rent relief for voluntary sector organisations in council properties. Of the 101 Council properties occupied by the VCS, 77 of these currently get rent relief, on top of the lower rates that are often paid for council properties with voluntary organisations in them.
2. We currently spend £1m on rent relief through the VCS Investment programme – the new arrangement means a £2m investment in unrestricted funding for our strategic partners which they can choose to spend on rent if they wish.
3. Current rent relief arrangements result in a lack of equity between those organisations who benefit from rent relief because they are in our buildings, and those who are not – with declining resources, this will become increasingly unsustainable, we need to align what we have left to need. Reinvesting the money currently used from rent relief allows us to support equality groups who have not traditionally benefited from longer term funding. A number of other local authorities have either already moved away from rent relief or are starting to do so with an increasing expectation that full market rent be recovered.
4. Interim arrangements have extended rent relief for another year and organisations would be expected to pay rent from January 2017. One consequence of this could be that organisations are more likely to ensure that their space is fully used or look for opportunities to share space in order to reduce costs and invest more money in services for residents. Organisations within Council properties will be expected to have a completed lease in order to access any funding from the Council, including commissioning and S106. Our analysis from annual accounts suggests that this is a relatively small proportion of turnover for the majority of organisations that we fund.
5. There are a number of organisations who do not have a lease in place. Cabinet agreed a new policy in February 2011 to regularise all occupation of Council premises and put in place leases where these historically did not exist. A lease is a contractual arrangement which defines the duration of occupation and the obligations of both landlord & tenant in relation to the occupation of a specific property, and governs such matters as rent, use, repairing

liabilities and responsibility for adhering to statutory matters such as health & safety. There are benefits to both tenant and landlord, and it ensures that disputes are kept to a minimum. VCS properties are valued as community premises and have significantly lower values than offices or other commercial property. Our VCS lease reduces the cost of rent by a further 35%.

6. Going forward the Council would also ensure a consistency of approach to granting leases, particularly with the award of peppercorn leases. These have in the main been awarded where premises have been secured through S106 from external developers and the peppercorn benefit passed onto the occupier. Other peppercorn have been awarded where there has been a strong financial case usually relating to securing external investment.

APPENDIX B – Summary of consultation

1. Introduction

This report summarises responses to the consultation on Camden's Voluntary and Community Sector relationship and funding proposals. Consultation closed on Wednesday 4th November 2015. The consultation phase was a culmination of nearly a year of engagement and consultation events, discussions and debate on the future of the VCS investment programme. We have had a strong response from voluntary and community sector representatives across the borough both through written submissions and participation at the events.

The engagement stage started in December 2014 and culminated in four options for future VCS funding outlined in a paper 'Investing in a Sustainable Strategic Relationship' published in May 2015. Over 100 individuals from a total of 84 organisations shared their views during the engagement stage which ended in July 2015. The key themes highlighted by respondents at this stage were:

1. Funding needs to adopt an approach that is based on gaps and needs of Camden residents.
2. Rent relief is neither strategic or equitable.
3. The approach should foster flexibility and innovation.
4. The approach should value diversity of the sector and also have space for smaller organisations.
5. The approach should not be based on historical patterns but linked to outcomes and impact.
6. It would be useful to share learning from evaluation of the current programme

The consultation document was a result of the feedback from the engagement phase. The engagement phase was particularly helpful in shaping proposals in the consultation document relating to the strategic relationship between the Council and the VCS and the proposed changes to rent relief for VCS organisations in council property. It also enabled further thinking to be developed into how funding could be based on identified community needs.

Following the publication of the consultation document in September 2015, 51 responses were received from 74 organisations, some as joint responses. A further 9 responses were received from individuals. We have analysed the responses and used them to develop and finalise a support and investment programme for the sector from January 2017. The three key types of organisations responding to the consultation were:

- Community centres (responses from 16 organisations)
- Equalities groups (responses from 18 organisations)
- Unfunded organisations (responses from 10 organisations and a joint submission from Voluntary Action Camden)

There was some overlap between equalities and unfunded groups with 2 responses being analysed under both categories.

The vast majority of questions in the consultation were open so cannot be reported in terms of, for example, X% of respondents agreed with proposal Y. Therefore, the points outlined below do not always reflect a consensus – there were very different views from different groups. Where relevant, a difference of opinion between these three key groups is highlighted. In addition some key questions were raised on issues to consider when developing future VCS strategy particularly by Voluntary Action Camden (VAC) who submitted a response on behalf of 23 organisations. The consultation document outlined three key aspects of the new VCS investment programme:

1. The strategic relationship: how the Council and the VCS work together in future
2. The Strategic Partners Fund
3. Community Impact initiatives

2. Strategic relationship

2.1. Developing a more strategic relationship

Key Points made:

- To be strategic and to have any significant impact the consultation proposals should encompass all of the Council's investment in the sector and not just the £1.5 – 2 million per year that sits in Culture and Environment. In Children's Schools and Families there is a budget of £11million per year, Health and Social Care invest £15 million per year and Public Health £3.8 million. In addition there is the investment in the borough from the Camden Clinical Commissioning Board and other key players.
- Departments across the Council should listen more to the sector, not just to those that shout the loudest, but to all organisations with the expertise and ability to help the most deprived. In addition, the Council needs to provide feedback and evidence of how VCS input has or has not influenced the Council's thinking.
- Some organisations were unhappy with the way the engagement and consultation process was conducted and felt it didn't show the Council as a listening organisation. For example, a number of organisations had not stated a preference for a community impact fund during the summer engagement phase and this is still a feature of current proposals. Some respondents were concerned about the relatively small amount of time between the consultation closing (4th November) and the decision being made by Cabinet (16th December).
- The VCS relationship with the Council should extend across departments to ensure a joined up coherent approach. This should consider how VCS (including smaller local organisations) can deliver commissioned services. One system for applying for funding should apply across all departments.
- The Council also needs to work with external partners to encourage them to engage with the VCS. This could be done through a local Compact.
- Recognition needs to be made of the on-going cumulative impact of the cuts on the VCS. This has led to an increased demand for VCS services, whilst at the same time seeing reduced council funding and commissioning across a range of activities.
- The Council needs to be more innovative in its approach to work with the VCS and look to other areas for best practice, such as ways of keeping money within Camden, and enabling the sector to be independent and sustainable.

Other points:

- There has been emphasis on resilient and cohesive communities' role in the context of the ongoing cuts in public funding. Resilient and cohesive communities require active and involved citizens. It is important that resilience, active citizenship and the infrastructure needed to support this are also taken into account when determining need and allocating funding and should be part of longer term strategy.
- The Council should promote the value and contribution of VCS, its ability to tap into local assets, bring in external funding from a range of sources, support volunteering and look at how to use this to address any funding gaps.
- No mention has been made of how the Council and the VCS can maximise existing assets and businesses or how to tap into inter-borough funded projects.

2.2. Establishing a VCS Advisory Group

Key points made:

- The proposal for a VCS advisory group was viewed favourably by the majority of respondents.
- The advisory group needs to be strategic and work across the Council.
- Currently there are a number of different relationships between the Council and the sector to which people do nominate themselves. This is neither representative or joined up.
- The Council needs to oversee nominations to ensure a balance and avoid the tendency to listen to the same old voices. This process should ensure that smaller groups and a range of representative equalities groups are facilitated to attend. There are time and capacity issues for all organisations to attend such a group which can be prohibitive, especially for smaller organisations.
- Representation of the VCS sector needs to be defined. A clear Terms of Reference and mandate for participating organisations is needed, including how they will represent and communicate with the sector. Resources are needed to support the group, with an independent chair and secretary.
- The advisory group should work across the Council as a whole, involving the VCS in decision making at an early stage (e.g. before papers are published) and ensuring representation from across the Council.
- There were several suggestions for the administration of the group. One recommendation was that it be chaired by a Cabinet Member. Others recommended an independent chair and secretary. Yet others felt that such a group should be facilitated independently of the Council by Voluntary Action Camden (VAC).

Other points:

- One recommendation was to re-launch the VCS Strategic Forum run by the council in partnership with VAC through which council officers and people from the voluntary and community sector met to discuss strategic matters and to input into the debate. People were invited to attend according to their particular interests and expertise. One recommendation for the makeup of the group was for one representative per investment area with the role being rotated, and categories for the borough-wide partners.

2.3. Sharing Data

- The vast majority of people were willing to input data and recognised the value of sharing data to help demonstrate impact and evaluate services, as long as issues such as data protection, confidentiality and transparency of use were addressed.
- There were some concerns around making sure it is worthwhile (as there was an assumption it could be time-consuming to input data) so would need to be evaluated and come with training, data-sharing protocols and capacity building. Resources would be needed to support and maintain the platform, especially if it is to be truly shared.
- Suggested that a pilot be run first, could be an opportunity to work with businesses with their CSR work.

2.4. Rents and leases

Key points made:

- There were mixed views on the future of rent relief. The majority of community centres were against the proposals to end rent relief whilst concerns were also voiced from some equalities groups and unfunded organisations about the knock on affect for them. Community centres in particular, many of whom occupy council property emphasised the negative impact of the rent proposals on organisations and their users.
- Many felt that rent increases would have to be passed on to smaller organisations using community buildings at low or no cost. This in turn would see an increase in charging for services.
- Some organisations felt that the costs for organisations paying rent will see a reduction in income to spend on frontline services.
- Whilst the consultation document appears to encourage strategic partners to provide space for community services this needs to be balanced against the need to attract inward investment through renting space out. How much will the local authority seek to micro-manage versus empowering organisations to maximise the use of this resource?
- Where organisations are currently receiving rent relief only (and no other funding from the Council) this can act as a lever to attract additional funding from elsewhere. The three year transitional rent support with a cut after that time would not help organisations in raising income from funding bodies who are looking for longer financial stability.
- Many groups, especially those in council property, felt a further discussion is needed about rent relief and leases with a breakdown of actual rent from Council properties provided.
- Many VCS services deliver Camden Plan outcomes, why is the Council charging rent when it could be offering peppercorn rent at 10% of market value?

Other comments:

- A change in rent policy requires Camden Council to accept full cost recovery in their contracts to those in council property.
- The Council should consider community assets transfer for buildings and empty spaces for community use. The wellbeing powers set out in Local Government and Public Involvement Act 2007 allows a waiver from “best value” disposal in cases where there is community benefit.

3. Strategic Partners Fund

3.1. General comments on the Strategic Partners Fund

Key points made:

- Some unfunded organisations felt the Strategic Partners Fund was too structured and would favour organisations who had an existing relationship with the Council.
- The consultation has raised an expectation that a large number of previously unfunded equalities groups will be receiving funding via the new funding programme.
- There was a mixed response to the idea of a cap on funding. Smaller unfunded organisations and smaller equalities groups tended towards recommending a cap to ensure that funding could be distributed more widely and fairly. The majority of community centres and some equalities groups were against the idea of a cap.
- Whilst some welcomed the stability that a seven year funding programme could provide, reservations were raised about the flexibility of such funding to address changing need and to provide funding to new and emerging groups. There was a recommendation that break clauses would allow more flexibility.
- More clarification was requested on how outcomes and impact would be measured for this fund.

3.2. Equalities strategic partners

Key points made:

- The majority of respondents thought this would still struggle to have impact on tackling some of the entrenched inequalities in Camden. However, many were also pleased that the proposals acknowledged the need for core funding for equality groups.
- Equalities groups already receive less funding proportionately, and some were concerned these proposals may make that situation worse. If not implemented correctly it may undo a lot of good work that is currently happening.
- Respondents requested a more detailed definition of what counted as an equality group and which inequalities need to be addressed through this fund.
- Equalities should be core to all funding, recognising that equalities issues are often interrelated and should not be viewed in isolation. Whatever their background or persuasion people are going to use a range of services and undertake a range of activities.
- Small equalities groups need a lot more support; resources and training if they are to participate in partnerships.

3.3. Neighbourhood strategic partners:

Needs as a basis for allocating funding

Key points made:

- The majority of respondents agreed that “funding should be targeted at need” but many questioned how you define and measure need.
- In addition to identifying needs, work is needed to map how needs are already being met. Allocation of funding should be based on a significant gap in interventions and resources to address that particular need. Asset mapping and investment mapping is therefore needed to supplement the Indices of Multiple Deprivation (IMD).
- There was concern about how prevention sits in relation to the emphasis on need? A focus on need may see investment ‘downstream’ when investment in prevention ‘upstream’ could stop a need from developing or mitigate its impact.
- A focus on deprivation need should not be to the exclusion of community cohesion activities which bring diverse communities together and can reduce inequalities.
- There was some confusion amongst respondents about how data would be used. Some respondents required more clarity on whether the IMD would be used as a tool to calculate how funding would be distributed across the borough or to provide a structure for developing programme activities.
- The IMD should not be relied on as the only measure of need as it quickly becomes out of date, is broad brush and doesn’t provide a detailed analysis of inequalities.
- Some respondents recommended supplementing IMD data with data from the JSNA and other Camden departments such as Community Safety and Children Schools and Families. There were also suggestions of using intelligence from users, organisations and members as to current service use and their impact.
- Having a potentially exclusive focus on investing in need carries the danger of undermining social interaction, association and activity across geographical and communities of interest. It is this weaving together of the richness of civil society in Camden that is central to building community cohesion and resilience.

Other points made:

- The Camden Plan articulates challenges for the Borough very well and highlights priorities for support and development. Camden should focus its Voluntary and Community Sector expenditure on the key needs identified by its own Equality Taskforce, namely: employment, educational attainment, and suitable and affordable housing.

3.4. Eight investment zones

Key points made:

- Two thirds of respondents did not support the zone approach as set out in the consultation document.
- Individuals move throughout the borough to access services to meet their needs, so a reliance on zones based on need may not give the full picture.
- Many felt that the eight investment zones create an additional layer of complexity. The majority of VCS organisations currently direct time and resources to ward or borough wide activities or work with public bodies who have other geographically defined areas such as the District Management Committee boundaries, or NHS/Clinical Commissioning Group boundaries. The eight zones cut across several neighbourhoods. A focus on investment zones will require a shift in analysis and resources for organisations which could be time consuming and bureaucratic.
- Respondents called for more transparency in how the eight zones had been identified and how the approach would work in practice. There was confusion as to how the zones would be used in practice. Respondents asked for more clarification about whether there are plans to “pre-allocate” funding to the 8 zones ahead of the funding applications?
- Concern shared by many was that a geographical approach may disregard pockets of deprivation within relatively affluent areas

Other points made:

- It was recommended that organisations in the different zones should get together to better understand needs across the borough.

4. Community Impact Fund

Key points made:

- The response to this proposal was broadly positive - that it would be a good opportunity to try new solutions.
- Respondents felt there was a lack of detail about how the scheme would operate and this lack of clarity had not improved since the proposal was first discussed at the engagement stage. Further consultation was requested to discuss more detailed proposals. Some recommended that a smaller amount of funding be provided to pilot this initiative.
- Despite the lack of detail many respondents viewed this as an opportunity for a flexible approach, allowing for pilot projects to test-drive solutions. A suggestion was to pilot a theme and a model to gain learning to be used for long term initiative as this funding approach has not been tested in the UK most of the evidence is from the US.
- Expectations also need to be managed as the example objectives are still disproportionate to the size of funding which is relatively small.
- A general trend in the responses indicated that community centres were more inclined to a strategic partners approach and recommended funding be redirected to that fund, whereas unfunded organisations tended to favour the Community Impact Fund over the Strategic Partners Fund.
- Equalities and unfunded groups were generally unsure of the Community Impact Fund and felt that it might tackle larger issues but may not be best suited to tackle issues faced by equalities groups.
- This fund is seen as a good way to get partners from many sectors together. But partners need to provide resources, requiring a high level of buy in from all parties and a balance in the different cultures of working. The sector needs to understand how partnerships will be formed, how issues are identified and who bears the risk.
- A very wide range of issues were suggested as ingrained problems the fund could tackle. These ranged from health, the working poor, domestic violence, social cohesion and poverty. Respondents recommended that these issues needed to be based on evidence of need and some suggested issues could be debated and agreed by the VCS Advisory Group.

Other points:

- Organisations should be able to apply to both funds, as strategic partners should be in a good position to help tackle ingrained issues.
- Volunteering could be supported through this fund.
- This could be an opportunity for smaller organisations to deliver services – but some felt only as subcontractors. Smaller organisations will need extra support from the Council to take part.

5. General funding comments covering all new funding proposals

5.1 General comments

Key points made:

- How will the Council manage the balance between competition for funds and collaboration?
- Monitoring the impact is crucial to measure the worth of investment. Monitoring needs to be robust across the board, with support to be available to small organisations to help them meet requirements.

- Smaller organisations are particularly vulnerable as they are in competition with each other, and larger organisations and private sector – there doesn't seem to be anything suitable for smaller organisations who are not as able to bid for Council contracts and rely on small grants.
- Need to be aware that VCS have to work with other external partners aside from the Council and the balance that has to be made across all parties.

5.2 Partnerships

Key points made:

- It takes time, resources and expertise to form a good partnership, build trust and agree processes. There is not enough time to set up effective partnerships with the timescales that are being suggested. Forced partnerships almost always fail.
- Equalities groups felt there was a risk that equalities groups would be included as an afterthought in partnerships, or squeezed out by larger groups.
- Respondents recommended that funding be provided to enable small organisations to take part in partnerships.
- Camden Council can provide some practical and strategic support in terms of matching potential partners and providing necessary templates. However, many felt it is not best placed to facilitate partnerships which would best be facilitated by a strong infrastructure organisation independent of the Council.
- There are many existing partnerships in Camden that can be built on.

6. Key changes proposed following consultation

The whole proposal reflects considerations from the consultation and many of the suggestions above are already reflected in the proposal. However, specific proposed changes following consultation include:

1. The proposed minimum funding amount for the Strategic Partners Fund has increased from £1.5m to £1.8m following consultation. We acknowledge the call for funding to be available to smaller organisations. However the Council does not have the resources internally to manage smaller grants pots and regular funding rounds hence its decision to fund strategic organisations for a longer period. We believe this will have good outcomes for residents as these organisations will demonstrate how they can maximise their assets for local benefit and addressing needs.
2. Flexibility to rolling over the Community Impact budget from one financial year to the next if unspent is in response to the view that the approach should be piloted in the first instance.
3. The remit for the proposed VCS advisory group would cover the Council's whole relationship with the voluntary sector.
4. We recognise that IMD alone is too narrow a measure and any new programme development will look at needs in a wider sense as highlighted by the consultation responses.
5. Funding would not just be limited to areas with high levels of relative deprivation, with significant investment retained in all parts of the borough.
6. Changing demographics and local need would also be used (in addition to reduced grant from central government) to determine how funding changes in year 3 for the Strategic Partners Fund.
7. We would design bespoke monitoring for each funded organisation that sits within a standard outcomes framework designed to measure distance travelled of the fund and investment programmes overall journey.
8. We acknowledge the concerns of small organisations regarding ensuring the programme is inclusive and will work with the sector to design specific interventions to address this. This could include remunerating smaller organisations for providing their expertise in the design of Community Impact Initiatives.
9. A concern raised in the consultation by some smaller organisations was that they could be charged much higher prices for space or rent by larger organisations; it would be an expectation of any Strategic Partner that they consider the needs of smaller organisations.
10. The consultation has raised an expectation that a large number of previously unfunded equalities groups will be receiving funding via the new funding programme. This may not be feasible given the reduced amount of overall funding available. A key element of infrastructure support will also focus on support for small groups.

Organisations who submitted consultation feedback individually or as part of a group submission:

1. Abbey Community Centre
2. Bengali Education Centre
3. Bengali Workers' Association
4. Bloomsbury Baptist Church
5. British Somali Community
6. C4
7. Camden Afghan Community
8. Camden Arabic Association
9. Camden CCG
10. Camden Community Law Centre

11. Camden Community Nurseries
12. Camden LGBT Forum
13. Camden People First
14. Camden Supplementary School Partnership
15. Castlehaven (Director; Youth services; Trustee)
16. CCWO
17. Chinese Community Centre
18. Clean Break
19. Coram's Fields
20. Elfrida Rathbone
21. Fitzrovia Youth in Action
22. GOAL
23. Hampstead Community Centre
24. Healthwatch
25. Highgate Newtown Community Centre
26. Holborn Community Association
27. Hopscotch
28. Kentish Town City Farm
29. Kings Cross Bengali Men's Project
30. Kings Cross Brunswick Neighbourhood Association
31. Kingsgate Community Centre (Director, Trustee)
32. Learning & Development Centre
33. Maiden Lane Community Centre
34. Maths on Toast
35. Monte Carlo
36. Narcotics Anonymous
37. North London Cares
38. Queen's Crescent Community Association (Chair; Trustee; Director)
39. Scene and Heard
40. Sidings Community Centre
41. Somali Cultural Centre
42. Somali Elderly and Disabled Centre
43. Somali Youth Development Resource Centre (x2)
44. Somers Town Community Association
45. St Pancras Community Association (Director; Office)
46. Swiss Cottage Community Association
47. The Winch
48. Training Link
49. Voluntary Action Camden (based on reflection of 13 individuals and 23 organisations 11 of whom also submitted separate responses)
50. West Euston Partnership
51. Women and Health
52. Talacre Playcentre

Plus 11 responses from individuals

APPENDIX C – EIA

See attachment to this document.