

Report to CABINET

Priority Programme Fund – VCFSE Support

Portfolio Holder:

Councillor Shoab Akhtar, Cabinet Member for Employment and Enterprise

Officer Contact: Neil Consterdine, Assistant Director for Youth, Leisure and Communities

Report Author: Rachel Dyson, Thriving Communities Hub Lead

21st March 2022

Reason for Decision

The purpose of this report is to seek approval to allocate grant funding from the Priority Programme Fund (PPF), renewing all grants for one year (22/23) and extending the grant to Action Together CIO for three years to enable them to provide voluntary sector infrastructure support, including intensive and specialist organisational development, in Oldham for three years 2022-25.

Recommendations

- That the VCFSE infrastructure grant to Action Together is renewed for a period of three years (2022-25)
- That the remaining grants awarded through the Priority Programme Fund are renewed for one year (22/23)
- That COMF funding is allocated to ensure that there is sufficient budget to enable all grants to continue at the level previously funded (21/22) and avoid grant reductions at a time when all of the organisations funded make a significant contribution to supporting Covid19 response and recovery
- That a full review of VCFSE sector commissioning is undertaken, which includes the Priority Programme Fund grants within this wider context and gives consideration to the appropriate value and term of any future agreements.

Priority Programme Fund

1 Background

1.1 The Council has, for a number of years, funded a range of voluntary, community and faith and social enterprise (VCFSE) sector organisations through its Priority Programme Fund (PPF). For the past three years, the CCG have also made a £50,000 contribution to this fund, to mitigate the impact of the 10% saving applied to this budget in 2019/20. The fund has had three main strands, alongside supporting a small number of community events:

- Voluntary Sector Infrastructure
- Community Centres and Organisations
- Legal and Advice Services

Voluntary Sector Infrastructure

1.2 **Action Together** provide the voluntary sector infrastructure support in Oldham and also provide VCFSE infrastructure support in both Tameside and Rochdale. They also play a prominent role in the leadership of the sector at a Greater Manchester level through 10GM and the GM VCFSE Leadership Group which champions the role of communities in devolution. Action Together having an influential voice within these forums enables Oldham's co-operative ambition to influence across the GM city region.

1.3 Action Together has an ambition to bring about a significant increase in citizen-led action that improves local lives and promotes recognition of how important that is. Their strategic objectives to achieve this are:

- To dramatically increase social action and sustain the vital work of local voluntary, community, faith and social enterprise (VCFSE) organisations;
- To radically amplify the voices of local people and create new ways to share decision making and design policy;
- To be audacious and ensure the VCFSE sector is recognised by public agencies as integral to achieving local ambitions;
- To invest to achieve their charitable purpose and be financially sustainable.

1.4 Action Together is a key partner in delivering the Council's vision of a co-operative borough and thriving communities. They have a key role in community development and capacity building of the voluntary, community, faith and social enterprise (VCFSE) sector which therefore increases the ability of communities to help themselves with reduced dependence upon Council and partner services. They also provide strategic leadership and representation of the sector and therefore provide a key conduit for public sector partners' relationship and communication with the VCFSE sector.

- 1.5 Action Together is also a key partner in the Oldham Partnership which brings together public, private, voluntary and community organisations in Oldham. As such they share the common vision 'to make Oldham a place of ambition' and are committed to working with partners and the people of Oldham to create a productive place with healthy, aspirational, and sustainable communities. The Oldham Partnership believes that to achieve long-term public service reform it is necessary to invest in our communities and create new relationships between public services and the people of Oldham. Action Together play a vital role in the realisation of the Oldham Model. Action Together is also a key representative of the VCSFE sector in shaping the integrated partnership for the delivery of Health & Social Care.

Community Centres & Organisations

- 1.6 **Oldham Credit Union** exists to promote greater financial equality in Oldham Borough by providing accessible, secure savings and an ethical source of credit at fair and reasonable rates of interest. It particularly benefits people who otherwise would be financially excluded and therefore have difficulty accessing mainstream financial services and might otherwise become dependent upon loan sharks charging extortionate rates of interest.
- 1.7 **Werneth and Freehold Community Development Project and Greenacres Community Centre** provide opportunities and venues for interaction and engagement within communities and for communities to engage with other stakeholders. They provide a means for residents to engage in a range of positive and creative activities, which enhance their quality of life and provide access to opportunities to further life chances. Building strong communities and community engagement are central components of the work of the organisation. Participation by local residents in such activities supports the principle of building cohesive communities by encouraging individuals to engage and interact with others through shared common interests. Furthermore, it provides significant opportunities for local people to develop their skills and contribute to their community by partaking in a range of volunteering opportunities. Both organisations utilise the core funding to attract inward investment to deliver services (e.g., early years provision).
- 1.8 **Oldham Interfaith Forum** provides support to faith organisations including Oldham Mosque Council and develops opportunities for communities to interact (faith and non-faith) and learn about different religions. The Forum supports the Community Tension process in helping to engage with faith leaders and communities and the partnership response to events such as Eid and other faith related matters. The Forum has supported the Partnership response to Covid-19 in helping to manage community tensions during lockdown and promote the vaccination take-up with BAME communities. There are currently two 0.5FTE staff members funded by the Council's grant. Oldham Interfaith Forum is a key partner in supporting the management of community tensions and working with Oldham Mosque Council

Legal and Advice

- 1.9 **Citizens Advice Oldham** provides legal and advice services to residents and has also been instrumental in supporting the response to Covid-19 as a result of the circumstances of so many individuals changing e.g., as a result of furlough, welfare benefit changes, government changes to housing possession proceedings, etc. Citizens Advice Oldham services will also form part of the placed based offer, ensuring that residents have access to timely housing, debt and welfare benefit advice.

Community Events

- 1.10 The Priority Programme Fund has also made a contribution towards three annual events which promote community cohesion in the past, namely, National Play Day, Oldham Pride and Oldham Carnival.

2 Current Position

Voluntary Sector Infrastructure

- 2.1 Action Together were granted a one-year grant allocation of **£270,500** for 2021/22 to provide infrastructure support for VCFSE sector organisations, made up of:
- **Strategic leadership of the sector** – helping to develop a strong working relationship between the voluntary, community and faith and social enterprise (VCFSE) sector, the Council and other local partners, and advocate on behalf of the sector championing the vital role that voluntary, community, faith and social enterprise organisations play in supporting the most vulnerable of Oldham's communities.
 - **Partnership** - ensuring that services meet the needs and priorities of local people, including those of people who are socially disadvantaged or from minority groups.
 - **Active Communities** - enabling local people, and particularly those who are traditionally harder to place, to enhance their quality of life by increasing their confidence, skills, and health through volunteering. Volunteering will also give them better life chances through improved progression into education, training, or employment. Increased voluntary activity by local people will also benefit local communities.
 - **Organisational development (including Community accountancy support)** – Action Together provides support to build the skills, knowledge, and confidence of VCFSE organisations and their staff and volunteers. This includes helping organisations to identify funding, access information, connect to others and recruit and support volunteers. In doing so, they are enabled to provide a better quality of service to local people and increase their collective impact.
- 2.2 A grant agreement, delivery schedule and outcome monitoring framework were in place for the 12-month period 21/22. An interactive summary of their activity

in Oldham during April -December 21 is provided here: [Q1-Q3 Monitoring](#), and an Annual Report will be provided after the end of Q4. This includes activity directly funded by the infrastructure grant, as well as projects supported by other income streams which benefit the borough.

- 2.3 During the last two years Action Together have been integral to Oldham's Covid19 response. They have provided strategic leadership to the Community Bronze humanitarian aid response as well as providing specific support to the foodbank, recruiting emergency response volunteers, supporting community engagement, and delivering the Covid19 Response Fund. They have also been a key partner and conduit for emergency funds to the sector including the DEFRA Emergency Assistance grant, Community Conversations funding, MHCLG Community Champions Fund and most recently establishing the One Oldham Fund which has an initial focus on Covid19 Recovery. Action Together have continued to convene VCFSE networks, and develop new ones as needed, for example the Food Solutions Network and Community Engagement Network, and to represent the sector in key forums such as Strategic Coordination Group and the Equalities Advisory Group. Although bolstered by grant funding the vast majority of this activity has been supported by the core functions funded via the infrastructure grant.
- 2.4 The next phase of the One Oldham Fund in which the Council proposes to invest a further contribution from the Contain Outbreak Management Fund (COMF) is the subject of a separate decision paper to Cabinet.

Community Centres & Organisations

- 2.5 Alongside the infrastructure grant the Council has provided core grant funding to several smaller voluntary, community and faith sector organisations, through the Priority Programme Fund, for many years. The allocations have been reviewed at regular intervals and there are now only a small number of organisations who receive funding as a result of budget reductions, changing Council priorities and the need to seek greater efficiencies and value for money. Monitoring information for 19/20 is provided in Appendix 2, formal monitoring was suspended in 20/21 and 21/22 as the pandemic significantly impacted what the organisations could deliver.
- 2.6 In 21/22 grants were awarded as follows:

Organisation	Funding Allocation 21/22	Source
Greenacres Community Association	£32,000	PPF
Werneth & Freehold CDP	£32,000	PPF
Oldham Credit Union	£36,000	PPF
Oldham Interfaith Forum	£36,000	PPF
Total	£136,000	

Legal and Advice

- 2.7 In 21/22 Citizen's Advice Bureau were awarded **£260,000** from the Priority Programme Fund to support their core activities. Previously this was supplemented by a contribution from Councillors of **£48,200** from their respective budgets, however this ceased in 21/22 and the grant was instead supplemented from the Covid19 Contain Outbreak Management Fund. Monitoring information for 19/20 is provided in Appendix 2, formal monitoring was suspended in 20/21 and 21/22 as the pandemic significantly impacted what was possible to deliver.

Community Events

- 2.7 No contribution was made to community events from Priority Programme Fund in 21/22. However, a separate contribution was made to National Play Day from external funding awarded to the Community Cohesion and Safety Partnership.

3 Grant Award Recommendations

Voluntary Sector Infrastructure

- 3.1 When the grant to Action Together was renewed for 21-22 it was recommended that consideration be given, in the context of wider budget proposals, to renewing the grant for a longer period. It is proposed that the infrastructure grant be agreed over a period of three years 2022-2025. This would demonstrate Council commitment to a Thriving Communities approach and support for the VCFSE sector. This also recognises the significant contribution of Action Together and the wider voluntary sector to the Covid19 response, and their vital role in delivery of Oldham's Covid19 recovery plan.
- 3.2 The infrastructure support to the VCFSE which Action Together provide is key to the development and sustainability of the local sector, as well as providing representation and voice to small groups and organisations. The sector contributes across all six themes of Oldham's Covid19 recovery plan, in particular Driving Equality and Improving Health & Safeguarding the Most Vulnerable. Our VCFSE sector have been supporting those people most impacted by Covid19 who are often already affected by existing inequality and vulnerability. Action Together have a key role in supporting those organisations to access funding and recruit volunteers as well as convening thematic networks and representing the sector strategically. Continuing this support to the sector will help to ensure we are able to deliver our recovery plan objectives both by enabling the sector to continue to deliver and providing voice to marginalized groups and communities. Action Together also distribute local grant funding to VCFSE organisations in the borough which enables quick distribution of funds through a route accessible to all local groups who may not be eligible or be disadvantaged in their applications to external funding sources.
- 3.3 The grant is intended to cover the costs of Action Together's core activity to provide infrastructure support to the VCFSE sector in Oldham through their strategic objectives outlined at 1.2 above. The vast majority of the grant covers

salary costs of staff required to deliver the core outcomes, the remainder covers overheads, a contribution to management costs and direct expenses.

- 3.4 Partly as a result of the pandemic Action Together have undertaken work to reconsider the priorities and focus of their activity going forward. Appendix 3 is a report which sets out their vision and plans for the next three years, and includes the core themes within that which the infrastructure grant enables them to deliver, namely; volunteering, development and partnerships and collaboration. Grant giving is also a core theme but coordination of this activity will be funded through the 10% grant management fee applied to all external funds they distribute (including funds from Oldham Council). The report also details other funded projects they support in Oldham, some of which are supported by other Council funding, or via grants awarded to the Council. A grant agreement will be established on this basis, and quarterly monitoring put in place to track the outcome measures and provide progress narrative for the 3 year period.
- 3.5 Without the infrastructure grant Action Together would not be in a position to fund this core activity based on earned income or other grant funding. In fact, providing core grant investment over a longer timeframe increases their ability to attract other investment by covering costs which other grant funders and investors are not able to. Medium-term certainty of funding levels for Action Together will enable them to set budgets and plan strategically over the longer-term. This in turn has a direct benefit for the VCFSE sector and communities in several ways. For example, staff retention within the infrastructure organisation enables them to better understand Oldham and build relationships and trust with organisations and communities over a longer period, which is key to effective asset-based community development. Similarly, it enables strategic development of the sector over a timescale in which it is possible to achieve impact, for example VCFSE workforce and system leadership development.
- 3.6 For the Council this has the benefit of a strategic VCFSE partner able to participate and commit resources within longer-term partnership plans and strategies. A three-year agreement provides a benefit as commissioners in reducing the resource required by the grant renewal process on an annual basis, whilst also allowing for the objectives and outcomes of the grant to be reviewed in light of current priorities in the medium-term.
- 3.7 The provision of this grant in order to maintain these core activities will make a significant positive contribution to the objectives set out in the Oldham Plan in particular Thriving Communities, as well as the Covid19 Recovery Plan as described above. It will also provide stability to the sector at a time when there is considerable insecurity and low financial resilience due to Covid19 impacts such as loss of income and volunteers. Action Together are uniquely placed to provide this support due to their extensive knowledge and experience of working in the borough, as well as the relationships, networks and trust which already exist with VCFSE organisations across Oldham. This grant would have limited impact on the wider sector as Action Together remain the only organisation providing infrastructure support within the borough, similarly this grant will remain separate and be managed separately from other grants and contracts the Council may have with Action Together during the period. Robust monitoring arrangements will be

put in place to ensure the outcomes continue to be delivered throughout the period of the grant funding.

- 3.8 Therefore, it is proposed that a grant of **£270,500** per year, a total of **£811,500**, is awarded over 3 years. Any reduction in the infrastructure grant would necessarily result in staffing reductions for Action Together and therefore would require the Council to reconsider the priorities and expected outputs and outcomes within the grant agreement. The recent continued award of a grant at a static level in itself represents a real terms reduction in available funding taking into account inflation of costs.
- 3.9 A key element of Action Together’s contribution to the pandemic response has been the coordination of Emergency Response Volunteers (ERVs) to support a whole range of activity, including community engagement, vaccination and test centre marshalling, care volunteers. This is a significant commitment above and beyond the volunteer coordination within the infrastructure grant and therefore it is proposed an additional one-off grant of £65,000 is awarded from COMF alongside infrastructure grant to enable the recruitment of an agency member of staff to provide coordination during 22/23.

Community Centres & Organisations

- 3.10 It is proposed that one-year grants are awarded to the community centres and organisations for 22/23 at the same level as the previous year at a total cost of **£136,000**. It is worth noting that, like the infrastructure grant, the award of a grant at a static level in relation to previous years represents a real terms reduction in available funding, taking into account inflation of costs.
- 3.11 Proposed allocations are as follows:

Organisation	Proposed Funding Allocation (22/23)	Source
Greenacres Community Association	£32,000	PPF
Werneth & Freehold CDP	£32,000	PPF
Oldham Credit Union	£36,000	PPF
Oldham Interfaith Forum	£36,000	PPF
Total	£136,000	

Legal and Advice

- 3.12 It is proposed that Citizen’s Advice Bureau are awarded **£260,000** for 22/23 from the Priority Programme Fund to support their core activities. In the interim the shortfall of **£48,200** supplement to the Priority Programme Fund will be met from COMF again in 22/23 in order to ensure they are able to continue provision of services at the current level to support Oldham’s Covid19 recovery strategy.

Community Events

- 3.13 There remain some funds in the budget for 22/23 which would enable the Council to support community events if required, following further consultation with events organisers. However, at this point it is the intention to support groups to access funding for events through the One Oldham Fund.

Total Grant Award

- 3.14 The grants described above equate to a total grant award of **£779,700** for 22/23, with a further **£541,000** awarded for the infrastructure grant across 23/24 and 24/25.
- 3.15 The grant awards and funding sources for 22/23 are shown in the table below. The total awarded results in a short fall of £19,560, given the significant contribution of all awardees to the Covid19 response and recovery it is proposed that this is covered with an additional £35,000 contribution from COMF.

Grantee	Grant	Award	Funding Source
Action Together	VCFSE Infrastructure	£270,500	PPF
Action Together	Emergency Response Volunteers	£65,000	COMF
Greenacres Community Association	Community Centres & Organisations	£32,000	PPF
Werneth & Freehold CDP	Community Centres & Organisations	£32,000	PPF
Oldham Credit Union	Community Centres & Organisations	£36,000	PPF
Oldham Interfaith Forum	Community Centres & Organisations	£36,000	PPF
CAB	Legal & Advice Services	£260,000	PPF
CAB	Uplift for Covid19 Recovery	£48,200	COMF
Total Grants Awarded		£779,700	
Shortfall in PPF Funds		£35,000	COMF
Remainder (available to support the community events identified if required)		£15,440	

4 VCFSE Sector Commissioning Review

- 4.1 The recommendation to fund the infrastructure grant over a longer-period of time follows consideration of the central role of Action Together as a strategic and operational partner uniquely placed to deliver shared objectives, and of the benefits to residents of providing greater funding certainty to this service. It is recognised though that the same level of consideration has not been given to the other grants awarded through this budget for a number of years, and that a longer-

term award to Action Together is a potential risk to the other grants should a saving be required from this budget in future or means to address the current shortfall not be found.

- 4.2 The Priority Programme Fund budget represents only one element of the Council's funding to the VCFSE sector, which has historically been set aside for core revenue funding to key local organisations. VCFSE organisations are also funded from across the Council via grants from other departmental budgets, through external grant programmes, via commissioned contract awards and through Members' local budgets. The use of this budget should be considered within the totality of that investment, and recognising that impacts extend not only to the Council's relationship with the sector as a whole, but also to the range of outcomes within wider strategies to which these key organisations contribute.
- 4.3 At a Greater Manchester level there have been significant policy developments and commitments made by all GM authorities including Oldham in relation to the VCFSE. Notably in September 2021 all GM Authorities signed a refreshed Accord with the VCFSE sector which builds on the previous 2017 Accord with GMCA and 2017 MoU with the Health & Social Care Partnership. The Accord sets out eight commitments to ways of working with the sector and shared goals which recognise the role of the sector in delivering the Greater Manchester Strategy and the GM Integrated Care strategy as well as the key role they have played within the pandemic response. These commitments include fully implementing the recommendations of the previously published GM VCFSE Commissioning Framework, of which a central element is the relationship of the public sector as commissioners and grant givers to the VCFSE.
- 4.4 It is now more than 10 years since the Council published its Compact with the VCFSE and although many of the principles underpinning that remain, there have been significant developments in the policy and commissioning landscape since then which should inform our approach. Likewise, there are additional obligations introduced through the new Subsidy Control legislation around the justification and publication of grants awarded which require robust decision making and recording in relation to the funding of the VCFSE.
- 4.5 In light of all of the above it is proposed that a full review is carried out of the Council's commissioned activity and services to the voluntary sector, whether that be contracted or through the provision of grants. This review should give consideration to the role of the PPF funded activity within it, and to the following:
 - Purpose and objectives of funding
 - Alignment of funding priorities to refreshed Council Plan & Oldham Plan
 - Current delivery & outcomes
 - Funding terms – use of grants / contracts, commissioning approach
 - Proportionate Monitoring
 - Equalities Impact Assessment
 - Compliance with subsidy control

- Appropriate future funding term – contribution to resilience of the sector

4.6 This exercise would seek to make recommendations to ensure Oldham's alignment to the GM VCFSE Commissioning Framework, as well as refreshing the Compact with the VCFSE Sector. It would also make a significant contribution to other key pieces of work in development across the system, in particular the development of a whole system early intervention & prevention strategy, the consideration of the role of VCFSE in place-based integration, the implementation of the Social Value Portal, the development of a single investment fund for the VCFSE and the Cooperative Approach to Use of Community Assets policy.

5 Options/Alternatives

5.1 Option 1 – Decommissioning

This is not regarded as a viable option because there would be a loss of infrastructure support to the VCFSE sector in Oldham. This would impact upon the capacity of the sector to develop and grow, the recruitment and placement of volunteers, and opportunities for securing external funding. Alongside this there would be a loss of advice services which form a central part of the new customer and financial services offer to residents. For the community centres and organisations funded this would represent the loss of their core funding and may result in a significant reduction in the services they are able to offer, or possibly result in closure of the centres or services. This would work against the Council's ambition for Thriving Communities and a Co-operative Borough and our Covid19 recovery plan. The option would represent a £666,500 in-year budget saving for the Council.

Option 2 – Renew all grant agreements for one year (2022-2023)

This option is not recommended as it reduces the ability of Action Together to plan resources strategically over the medium-term due to lack of certainty with regards its core funding. It also requires Council resource and capacity to review and renew the grant agreement on an annual basis although it does not change substantively year to year, however this does provide the opportunity for partners to review funding levels and expected outputs and outcomes on a frequent basis in light of any future annual budget reductions. This option would enable all funded organisations to continue their services and activities for one year.

Option 3 – Renew the infrastructure grant agreement for three years (2022-2025), and all other grants for one year (2022-23) and undertake full VCFSE review

This option is recommended because it would provide some certainty of funding for Action Together to enable longer-term budget setting and strategic planning, which in turn would benefit the wider VCFSE sector and contribute to the Council's strategic objectives as described above. This option would allow for partners to review funding levels, priorities and outcomes in the medium-term

rather than on an annual basis. Awarding the grant over three years would demonstrate Council commitment to our Thriving Communities ambition and our support for the VCFSE sector. This option would prevent the infrastructure grant from being reduced during that time period, however this presents the risk that should further reductions be required of the Priority Programme Fund in future the other grants may be impacted. It is therefore recommended that a full review of VCFSE sector spend is undertaken (as described above), which includes the Priority Programme Fund grants within this wider context and gives consideration to the appropriate value and term of any future agreements.

6 Preferred Option

6.1 Option 3 – Renew the infrastructure grant agreement for three years (2022-2025), and all other grants for one year (2022-23)

This option is recommended because it would provide some certainty of funding for Action Together to enable longer-term budget setting and strategic planning, which in turn would benefit the wider VCFSE sector and contribute to the Council's strategic objectives as described above. This option would allow for partners to review funding levels, priorities and outcomes in the medium-term rather than on an annual basis. Awarding the grant over three years would demonstrate Council commitment to our Thriving Communities ambition and our support for the VCFSE sector. This option would prevent the infrastructure grant from being reduced during that time period, however this presents the risk that should further reductions be required of the Priority Programme Fund in future the other grants may be impacted. It is therefore recommended that a full review of VCFSE sector spend is undertaken (as described above), which includes the Priority Programme Fund grants within this wider context and gives consideration to the appropriate value and term of any future agreements.

7 Consultation

7.1 The CEO, Treasurer and Strategic Locality Lead for Action Together were consulted in the development of this report. This consultation confirmed the positive impact of a longer-term grant for certainty of core funding to enable strategic planning of resources, and the implications of any reduction in the grant. Initial conversations have also taken place with the CEO of Citizens Advice and further conversations are to take place with the remaining organisations in advance of 31st March 2022.

8 Financial Implications

8.1 The 2022/23 revenue budget for the Priority Programme Fund (PPF) is £646,940. The previous contribution of £50,000 from the CCG ceased in 2021/22.

8.2 The recommendation is to award Action Together a grant contribution of £270,500 per annum from 2022/23 to 2024/25. The remaining grants awarded from the PPF budget will be renewed for one year (2022/23)

- 8.3 The proposed PPF grant awards in 2022/23 total £681,940 representing a shortfall of £35,000. It has been agreed by the Director of Public Health that the shortfall will be funded from COMF in 2022/23 only. In future years the shortfall must be made by either identifying savings or reducing the grants offered to the smaller bodies.
- 8.4 It should be noted that the funding of £65,000 to Action Together for emergency response volunteers and £48,200 to CAB for Covid 19 uplift is funded from the COMF grant in 2022/23 and if funding is extended beyond 2022/23 budgetary provision will have to be identified by the service.
- 8.6 Should the PPF budget be subject to future budget reductions the commitment of 3-year funding to Action Together will have to be taken into account which will result in reduced contributions to the other voluntary organisations.

(Mike Ward, Senior Accountant/Nicola Harrop, Finance Manager)

9 Legal Services Comments

- 9.1 In considering the proposal to make a substantial grant to Action Together the Council is obliged to consider the new subsidy control measures which have been introduced into English Law by section 29 EU (Future Relationship) Act 2020. The measures were agreed between the EU and the United Kingdom in the Trade and Co-operation Agreement (TCA) which was finalised on 24th December 2020. Article 3.4 of the TCA lists six principles which a decision-making body is required to consider and respect when making a decision:

The Principles

- *It must pursue a specific public body objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns.*
 - *It must be proportionate and limited to what is necessary to achieve the objective.*
 - *It must be designed to bring about a change in economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of subsidies being provided.*
 - *It must not normally compensate for the costs the beneficiary would have funded in absence of any subsidy.*
 - *It must be an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.*
 - *Its positive contributions to achieving the objective must outweigh any negative effects in particular the negative effects on trade or investment between the parties.*
- 9.2 The proposed grant to Action Together can be said to remedy an identified market failure for the provision of services similar to those provided to the

voluntary sector by Action Together and the services are designed to address social difficulties. The subsidy should be proportionate and not over compensate – it must not cover costs which a beneficiary of the subsidy would normally have funded from its own resources. The grant should be proportionate i.e what is necessary to achieve the objective and it must be capable of bringing about the desired outcome that would not have happened in the absence of a subsidy. The grant must be in accordance with a policy objective and the Council's key aim for a Thriving Community will assist here. Finally, there is a balancing exercise to be considered i.e does the grant of a subsidy outweigh the negative effects in distorting the market by giving an unfair advantage to another economic actor. That is the balancing exercise which the decision makers will have to make.

9.3 The decision must be Wednesbury reasonable and not irrational to be capable of withstanding legal challenge by way of judicial review. However, the time limit for legal challenge is limited to 28 days from the date of publication of details of the decision under the new transparency regime in Article 3.7.

9.4 Art 3.7(1) of the TCA imposes an obligation on the Council to publish details of the grant of subsidy within 6 months namely:

- the legal basis, policy objective and purpose of subsidy;
- name of the recipient of the subsidy;
- the date of grant of subsidy along with its duration and other limits attached to subsidy; and
- the amount of the subsidy or the budgeted amount of the subsidy

The details of the grant should be sent to the Department of Business Energy and Industrial Strategy.

(Sukhdeep Kaur, Commercial & Procurement Solicitor)

10. **Co-operative Agenda**

10.1 The grant funded VCFSE organisations are key partners in delivering both the Council's ambition to be a co-operative borough and the Oldham Partnership's ambition for Oldham 'to be a productive and cooperative place with healthy, aspirational and sustainable communities.' All the organisations have a key in empowering residents and communities to help themselves by supporting them to make healthy life choices and being better connected to support that is available in their local community which reduces demand on Council and partner services.

11 **Human Resources Comments**

11.1 Although there are no staffing implications for the Council, if the preferred option were not approved then there would potentially be significant staffing implications for all of the funded organisations.

12 **Risk Assessments**

12.1 None

- 13 **IT Implications**
- 13.1 None
- 14 **Property Implications**
- 14.1 None
- 15 **Procurement Implications**
- 15.1 As this report relates to grant funding it is outside of the Council's Contract Procedure Rules.

Oldham Council is agreeing to provide grant funding to Action Together, as Oldham's council for voluntary service (CVS), to support the charitable incorporated organisation (CIO) - registered charity number 1165512 formed under the Charities Act 2011 – to provide infrastructure support for VCFSE sector organisations in Oldham. A robust grant funding agreement and regular performance monitoring reviews must be put in place to ensure that the agreed outcomes are being achieved. (Steve Boyd, Head of Procurement)
- 16 **Environmental and Health & Safety Implications**
- 16.1 None
- 17 **Equality, community cohesion and crime implications**
- 17.1 No vulnerable group will be disproportionality affected from the proposals contained within this report. However, an EIA would be undertaken in the event that grant funding is not agreed or is reduced or withdrawn.
- 18 **Equality Impact Assessment Completed?**
- 18.1 No
- 19 **Key Decision**
- 19.1 Yes
- 20 **Key Decision Reference**
- 20.1 EE-01-22
- 21 **Background Papers**
- 21.1 None

22 **Appendices**

- 22.1 Appendix 1 – Action Together [Q1-Q3 Monitoring Report 21/22](#)
Appendix 2 – Community Organisations & CAB Monitoring Information 19/20
Appendix 3 – Action Together VCFSE Infrastructure Provision 2022-25

