

Report to CABINET

VCFSE Investment Fund (Covid19 Recovery)

Portfolio Holder:

Councillor Chauhan, Cabinet Member for Health & Wellbeing

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Reason for Decision

The purpose of this report is to seek approval to allocate £648,000 of Contain Outbreak Management Fund (COMF) monies to the previously established single grant for the Voluntary, Community, Faith and Social Enterprise sector (VCFSE) in Oldham, known as the 'One Oldham Fund'. This investment would support the sector's resilience to enable key VCFSE organisations to remain viable to continue to deliver the ongoing Covid19 response and to contribute to the delivery of Oldham's Covid Recovery Strategy priorities.

Recommendations

Option 2 – £648,000 is awarded to One Oldham Fund from COMF

This option is recommended to ensure continued role of VCFSE sector in Oldham's Covid19 response and effective contribution to the recovery strategy and key outcomes. This investment will also benefit the sustainability of the sector over the short to medium term and provide a framework and learning for future strategic investment in the sector.

Voluntary, Community, Faith & Social Enterprise Sector Infrastructure Grant

1 Background

- 1.1 The Covid19 crisis has had a direct and significant impact on the Voluntary, Community, Faith & Social Enterprise (VCFSE) sector in Oldham. The crisis has precipitated a rise in demand for services delivered by the sector, reduced their ability to generate income and left many community groups and organisations having to radically redesign their delivery or cease activity for some time. The sector has equally been a critical partner in delivering the Covid19 response work across Oldham's communities and has provided a significant leadership role at all levels of Oldham's coordinated response.
- 1.2 At the outset of the pandemic action was taken to support the sector. The Council and CCG in Oldham committed to allowing the sector to be creative with existing public sector funds and resources, and to easing monitoring and reporting deadlines, the Council also offered a route for VCFSE suppliers to request relief and for grant holders to make contact.
- 1.3 Action Together launched a quick response grant fund to help local groups and charities access immediate funding and support, as well as a public fundraising drive to help raise money, so that groups and charities could help local people struggling through the crisis. To date the quick response fund has raised £89,025 through a contribution from the Action Oldham Fund, public fundraising, GM grants and local business donations. Subsequently a further £170,000 was pooled from Thriving Communities Fast Grants, Standing Together and Oldham Housing Providers funds into the Covid19 Response Fund. To date grants have been awarded to more than 150 organisations through this fund to support Covid19 response.
- 1.4 In addition, during the pandemic Oldham has been awarded funds through the MHCLG Community Champions fund and the DEFRA Emergency Assistance grant a proportion of which have been used to invest in VCFSE organisations to deliver Covid19 related engagement activities and humanitarian aid respectively. Action Together have also supported groups to access external funding throughout the pandemic.
- 1.5 These funds have been vital in enabling the sector to play an integral role in the Covid19 response in Oldham. However, often funding will cover new and additional costs, which can still leave some organisations drawing on reserves to cover core costs where income is reduced or with fewer options if they are unable to operate fully during the crisis although they may have a vital role in supporting the recovery within our communities. From a position of operating at historically low levels of reserves pre-Covid it is likely that coming out of the crisis the VCFSE sector will be less resilient than coming into the crisis. However, their services and activity are critical if we are to respond to the impact of the crisis on levels of poverty, food insecurity, mental health and wellbeing, domestic violence, social isolation and physical health.
- 1.6 A thriving and sustainable VCFSE sector is essential to the delivery of the ambition set out in the Oldham Plan and Locality Plan. Thinking differently about our investment to the sector is a key component of this, and through our Thriving Communities work prior to

Covid19 we have considered the role of a strategic VCFSE investment fund for Oldham as a vehicle for transforming our approach. The establishment of such a fund is also a recommendation of the recently published evaluation of the Thriving Communities programme. A single strategic fund would consist of:

- Pooled resources to invest strategically with joint investment principles and governance
- Invest to deliver shared outcomes aligned to key priorities
- Single brand, single process, one approach to evidencing impact
- Aligned support capacity e.g., community development, evaluation
- Alignment of investment to wider priorities e.g., place-based working, Covid19 recovery strategy

The use of COMF funding to invest in the VCFSE to support Covid19 recovery according to the same principles can act as a stepping stone to establishing a strategic investment fund. Beyond this financial year (and the COMF funding allocation) the investment fund could provide a focus for external funding and an opportunity to drive innovation and grow the sector.

- 1.7 In November 2021 the decision was made to invest £220k of COMF funding to establish the first phase of a single grant investment fund for the VCFSE in Oldham. £200k towards direct grant investment in the sector, and £20k to Action Together to support delivery of the fund. In November Action Together launched the grants programme under the brand 'One Oldham Fund'. By December 2021 total applications to this fund had exceeded £260k in value, and total successful applications had exceeded the £200k initially allocated.
- 1.8 Given the fund was oversubscribed in such a short time in January 2022 the decision was taken to allocate a further £242k of COMF funding to the One Oldham Fund to enable the distribution of another round of micro and small grants. To date a total of £284,723 of grants have been awarded through the fund to 68 different organisations, and a further £152,373 of applications are currently in progress. A detailed breakdown of grants awarded and pending applications is provided as Appendix 1.
- 1.9 The priorities for grant investment were directly linked to Oldham's Covid19 Recovery Strategy with all successful applicants' proposals meeting at least one of the following priorities:
 1. Driving Equality
 - Enabling those adversely impacted by COVID-19 to access the help they need
 - Reducing inequality and building resilience across Oldham's communities
 - Reducing poverty and helping people get back on their feet
 2. Promoting Health and Wellbeing and Supporting the Most Vulnerable
 - Continue to contain the spread of COVID-19 in Oldham
 - Work with residents and communities to improve health and wellbeing, preventing illness and premature death
 - Safeguard and supporting our most vulnerable residents

The principles for investment are:

- Investing in the capacity of existing Oldham VCFSE groups and organisations to develop their resilience and ensure their sustainability
- Being responsive and reactive with investment where there are urgent funding issues for vital community anchor organisations
- Investment framework is embedded in the place-based working approach and grantees are connected into the VCFSE place-based networks and equalities networks
- Grantees are supported with 'wrap-around' community development and organisational development support at place level

2 **Proposal**

- 2.1 This paper is proposing that a further £648,000 of COMF funding is used to extend the One Oldham Fund for 22/23. This would equate to a total of £1.11m investment over 21/22 and 22/23. When the decision was made to extend the funding in January 2022 this was done based on previous government requirement for funds to be allocated before 31st March 2022, so funds were awarded in anticipation of awarding micro and small grants to be spent in that time period. As the period over which COMF funds can be spent has been extended until 31st March 2023 it provides an opportunity to award larger grants which can be spent over a year and provide some longer-term stability for organisations.
- 2.2 This proposal is aligned to the ringfenced grant conditions of COMF funding and in particular the following:
- Enhanced communication and marketing, e.g., towards hard-to-reach groups and other localised messaging
 - Targeted interventions for specific sections of the local community and workplaces
 - Harnessing capacity within local sectors, e.g., voluntary, academic, commercial
 - Community-based support for those disproportionately impacted such as the BAME population
- 2.3 The proposal to allocate COMF funding to a single grant investment fund for Oldham is built upon work that the Council and Action Together have been developing through the Thriving Communities Programme, 10+ years' experience of making grant investment to the VCFSE and learning and insight gained throughout the last 12 months of delivering Covid Response grant investment to the VCFSE.

Framework Summary

- 2.4 The approach and framework for investment used by Action Together, in partnership with Council colleagues, is based on the Institute for Voluntary Action Research (IVAR) framework and includes the 8 principles of open and trusted grant-making. This includes codesign work with the VCFSE to ensure that the processes are inclusive and mitigate potential equalities barriers to access funding. To date funding has only been used to make micro and small grant investments due to the limited time available to spend the COMF funding.

Grant Investment Award Levels	Micro Up to £1,000	Small £1,000 up to £,10,000	Medium £10,000 up to £25,000
Who can apply	Informal social action groups Constituted VCFSE groups	Constituted VCFSE groups	Incorporated VCFSE groups / organisations
Monitoring individual grants	Light touch	Grantee to report back on outcomes and success in relation to project described in application	Link to defined impact areas with range of possible outcomes which will be selected from a framework by the applicant as part of application process
Monitoring frequency¹	CDW to check in after 4 weeks, monitoring at end of project	CDW to check in after 4 weeks, monitoring at end of project	CDW to check in after 4 weeks, monitoring at end of project
Participation in VCFSE networks	yes	yes	yes
Max project length	1 year	1 year	1 year
Decision making mechanism	Action Together	Action Together with Community Rep Grant Panel	Investment Board (Community Bronze)
Decision making timescale	Up to 2 weeks - sent to panel upon receipt	Up to 4 weeks - sent to panel every week virtual panel drop in quarterly	Up to 8 weeks - sent to Board every week
Available Funding 2021/2023²	£750k to be allocated to both Micro and Small grants combined		£250k
Launch Date	October 21	October 21	February 22
ATCIO Membership Requirement?	Yes if eligible	Yes	Yes
Application period	Rolling during 21/23 until pot exhausted		
Internal ATCIO Monitoring	Twice a year		
Reporting mechanism	Included with Core Infrastructure reporting		

Fund Management, Governance and Oversight

2.5 To date the funds have been held by Action Together, who have administered the grants.

This includes:

- Managing the application process end to end

¹ CDW will contact on receipt of application and support throughout projects as part of core organisation development offer

² For internal ATCIO use - may be changed with reference to Steering Group

- Providing community development to groups and organisations to support the development and implementation of bids
- Coordination and administration of decision-making panels
- Putting in place grant agreements and outcome monitoring arrangements with all grantees

A grant agreement would be put in place with Action Together for the administration of the funds and reporting requirements of the fund agreed within that.

2.8 It is intended that the fund should reflect whole place priorities for Oldham and whilst initial funding would come from COMF that partnership grant funds could be drawn together within the framework over time. As such it is proposed that the fund has a partnership decision making structure, establishing an investment board to act as the awarding panel for medium and large grants and to ensure connection is made to other relevant grant funding and commissioning decisions across the system. Initially for the distribution of COMG Community Bronze will act as the Investment Board. For the small grants Council representatives would sit on the panel alongside VCFSE representatives. Overall oversight of the fund would initially be provided by SCG. Governance of the fund will be reviewed as Covid19 governance changes. As described above the fund would reflect the different size and forms of investment required by the sector so the mechanisms to access funding and level at which decisions would be made would vary accordingly and proportionately.

3 COSTS

Amount	Purpose	Allocation to
£580,000	Grant funding to be invested in the VCFSE up until 31 st March 2023	Oldham's VCFSE Via Action Together / Investment Board
£33,000	Investment to maintain capacity to deliver investment fund	Action Together
£35,000	External evaluation of impact of the investment and the development of a framework for ongoing impact measurement of the single investment fund	TBC

4 Options

4.1 Option 1 – No investment is made to One Oldham Fund from COMF

This is not regarded as a viable option this would significantly impact on the VCFSE sector's ability to contribute to Oldham's Covid19 recovery strategy, as well as on the sustainability of organisations in the sector over the next 12 months.

Option 2 – £648,000 is awarded to One Oldham Fund from COMF

This option is recommended to ensure continued role of VCFSE sector in Oldham's Covid19 response and effective contribution to the recovery strategy and key outcomes. This investment will also benefit the sustainability of the sector over the short to medium term and provide a framework and learning for future strategic investment in the sector.

Option 3 – A smaller investment is made to One Oldham Fund from COMF

This option may be required if there are wider demands on the COMF funding. In this case a smaller investment fund could be established based on the same principles and investment framework. The option is not recommended as it will mean funding will not reach the breadth of organisations required and therefore will have more limited impact on key Covid19 recovery outcomes, and on the sustainability of the sector overall.

5 Preferred Option

5.1 Option 2 – £648,000 is awarded to One Oldham Fund from COMF

This option is recommended to ensure continued role of VCFSE sector in Oldham's Covid19 response and effective contribution to the recovery strategy and key outcomes. This investment will also benefit the sustainability of the sector over the short to medium term and provide a framework and learning for future strategic investment in the sector.

6 Consultation

6.1 The CEO and Strategic Locality Lead for Action Together were consulted in the development of this report. This consultation confirmed the capacity required to administer the fund, and the nature of the administration role and proposed investment framework.

7 Financial Implications

7.1 In August 2021 approval was given to establish the VCFSE Investment Fund (One Oldham Fund). The cost was £220k; £200k to establish the Investment Fund and £20k for Action Together to support delivery of the fund. The initial investment was fully utilised and approval was given in January 2022 to increase the fund by £220k and £22k for delivery support. The total investment to date is £462k.

7.2 The preferred option outlined in 5.1 is to continue with the investment in the One Oldham Fund. The additional award recommended is £648k; £580k to the fund, £33k for delivery support and £35k for external evaluation. The total investment will be £1,110k.

7.3 The costs can be met from the Contain Outbreak Management Fund (COMF) grant. The grant conditions previously stated the COMF had to be fully utilised in 2021-22 however the UK Health Security Agency confirmed to the Council that the grant can be carried forward into 2022-23 therefore the One Oldham Fund can be utilised beyond 2021-22.

7.4 Action Together will be required to provide regular reports to assure the Council that the grant conditions have been complied with.

(Nicola Harrop – Finance Manager)

8 Legal Services Comments

8.1 The Council has the legal powers to make the proposed awards by virtue of the general powers of competence and of well-being. Grant agreements should be utilized to ensure that identified outputs are achieved where possible and best value is obtained from the funding.

It is noted that there may be wider demands upon the COMF funding and, that being so, the decision maker should be satisfied that in approving the proposed recommendation that such decision is reasonable and proportionate having regard to any other potential competing claims upon the fund and having regard to the Council's priorities. (Colin Brittain)

9. Co-operative Agenda

9.1 Partnership with the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector is key to delivery of the Oldham Plan priorities of Co-operative Services, Inclusive Economy and Thriving Communities. Investment in VCFSE organisations enables them to effectively participate in the delivery of activities and services to support our residents, as well as to participate in co-production and to represent the sector as part of a cooperative partnership.

10 Human Resources Comments

10.1 None

11 Risk Assessments

11.1 The service will need to manage the allocations/ grants to third parties to ensure they are spent in line with the terms and conditions which now allow funds to be carried over into the financial year 2022/23. (Mark Stenson)

12 IT Implications

12.1 None

13 Property Implications

13.1 None

14 Procurement Implications

14.1 As this is in relation to the allocation of grant funding, there are no Procurement implications, however a robust Grant Funding Agreement will need to be put in place to ensure outcomes are met. (Emily Molden).

15 Environmental and Health & Safety Implications

15.1 None

16 Equality, community cohesion and crime implications

16.1 To support Oldham's Covid-19 response a full EIA has been completed, assessing the impacts of the pandemic on residents with protected characteristics. This EIA is updated regularly, reflecting the evolving nature of the pandemic. (Jonathan Downs, Corporate Policy Lead)

17 Equality Impact Assessment Completed?

17.1 See above

18 **Key Decision**

18.1 Yes

19 **Key Decision Reference**

19.1 HSC-04-22

20 **Background Papers**

20.1 None

21 **Appendices**

21.1 Appendix 1 – One Oldham Fund Interim Report February 2022