

Report to CABINET

Voluntary, Community, Faith and Social Enterprise (VCFSE) Infrastructure

Portfolio Holder:

Cllr Peter Dean, Portfolio Holder for Thriving Communities & Culture

Officer Contact: Dr Rebecca Fletcher, Director of Public Health

Report Author: Rachel Dyson, Community-led Prevention Lead (Public Health)

20th January 2025

Reason for Decision

To seek approval for the award of the Voluntary, Community, Faith & Social Enterprise Sector (VCSFE) infrastructure grant of £270,500 per annum to Action Together CIO and for a grant funding agreement to be entered into with Action Together CIO under which the total funding of total £811,500 would be provided for the period 1st April 2025 – 31st March 2028 (3 years).

Recommendations

Cabinet is asked to approve the recommendation that a VCFSE infrastructure grant of £811,500 to Action Together CIO is approved (subject to a satisfactory subsidy control assessment), and that authority is given for the Council to enter into a suitable form of grant funding agreement with Action Together CIO for a period of three years (1st April 2025 – 31st March 2028), as detailed in this report. The grant funding agreement would be drafted by Legal Services on standard terms and conditions and subject to a fit for purpose project specification.

Cabinet is also asked to grant approval for the Borough Solicitor to carry out all necessary legal formalities.

Voluntary, Community, Faith and Social Enterprise Infrastructure

1 Background

- 1.1 The Council has, for a number of years, provided grant funding to Action Together CIO (AT) in contribution to a project designed and delivered by AT under which free support is provided to a range of voluntary, community and faith and social enterprise (VCFSE) sector organisations. The grant is funded through the Council's Priority Programme Fund (PPF). The grant funding includes VCFSE infrastructure provision.
- 1.2 AT provides a range of VCFSE infrastructure support in Oldham, as well as 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. Further, AT has an influential voice within these forums, which contributes to Oldham's co-operative ambition to influence across the GM city region.
- 1.3 AT has three strategic priorities across Oldham, Rochdale and Tameside:
- Strengthen social infrastructure for connected communities
 - Advance our approach to social change
 - Grow and transform as a local funder
- 1.4 The work which AT carries out in the borough contributes to the achievement of the Council's aims and objectives within the corporate plan, in particular the ambition to actively work to reduce the need for our services by focusing on prevention and early support.
- 1.5 AT plays a key role in community development and capacity building of the VCFSE sector which therefore increases the ability of communities to help themselves, which reduces dependence upon Council and partner services. The organisation also provides strategic leadership and representation of the sector and therefore provides a key conduit for public sector partners' relationship and communication with the VCFSE sector.
- 1.6 AT 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 priorities - A Great Place to Live, Healthier, Happier Lives and Green and Growing - and are committed to working with partners and the people of Oldham to create vibrant, safe neighbourhoods where people are proud to live, opportunities for healthier more fulfilled lives and a sustainable thriving economy. In addition, AT is a key representative of the VCSFE sector in shaping the integrated partnership for the delivery of Health & Social Care.

2 Current Position

Infrastructure Support

- 2.1 The Council granted a three-year grant allocation of **£270,500 per annum** to AT for 2022-2025 by way of contribution to AT's provision of infrastructure support for VCFSE sector organisations, made up of:

1. Volunteering

- Act as the accredited volunteer centre for Oldham (through VCQA)
- Provide place-based volunteering hubs, annual volunteer fair and online volunteer brokerage
- Manage an online bank of volunteering opportunities
- Provide training and support for volunteers

2. Development

- Provision of 'place-based' organisational development infrastructure support to VCFSE groups and organisations e.g. constitution advice, organisational healthchecks, find and apply for funding, training, business planning
- Provision of 'place-based' community development infrastructure support to Oldham residents with an idea to strengthen or improve their community e.g. development of ideas, forming project groups, starting projects

3. Partnerships & Collaboration

- Co-ordinating the strategic representation of the VCFSE at key Oldham and GM Partnership Governance Boards e.g. Health & Wellbeing Board, Community Safety Partnership, Adults Safeguarding Board, Economy Board, 10GM
- Co-ordinating and facilitating VCFSE forums that bring people together e.g. Community Explorers, VCSE Leadership Group, Community Centres Network
- Development of strategic and thematic networks e.g. Poverty Action Network, VCFSE Women's Network
- Relationship building and peer support between organisations

4. Communication & Sharing Information

- Communicate with members about key events and opportunities for the VCFSE sector in Oldham

2.2 A grant agreement, delivery schedule and outcome monitoring framework were put in place for the three-year period 2022-2025. An interactive summary of AT's activity in Oldham during 2023-24 is provided here: [2324 Annual Impact Report - Action Together in Oldham](#), and activity to date in 24-25 here: [Q2 Impact Report](#). This includes activity directly funded by the infrastructure grant, as well as projects supported by other income streams which strengthen the infrastructure offer and provide wider benefit to the borough.

2.3 AT is currently in the process of assessment for the Local Infrastructure Quality Award (LIQA) from the National Association of Voluntary and Community Action (NAVCA). Oldham was recently included as a case study in an LGA Good Practice Guide: [Working with Local Infrastructure Organisations to engage smaller VCFSE organisations](#). Oldham is also being included in Department for Culture, Media & Sport (DCMS) funded research examining the role of Civil Society Infrastructure.

2.4 During 2023 a review of grant funding to the VCFSE was undertaken, including a particular focus on the infrastructure provision. This review included benchmarking against national standards and provision and funding across GM LAs, as well as stakeholder engagement across the Council to understand the extent to which the current provision was meeting needs. In brief the review found:

- The scope of AT's provision is in line with the national framework for infrastructure provision.
- The value of the grant is in line with other similar GM boroughs, and using a multi-year grant agreement is considered best practice. The grant has remained static

for a number of years and does not cover the full costs of the core infrastructure provision which is supplemented by other income generation by Action Together.

- The four areas of AT's grant funded scheme remain priorities for stakeholders, in particular Community Development and Volunteering. Strategic representation of the sector is spread very thin across a considerable number of public sector led partnerships.
- The capacity of AT's grant funded scheme is limited, and it is evident that stakeholder expectations remain high and often go beyond the scope of explicitly funded activity (e.g. social value brokerage, engagement). AT is flexible and responsive in supporting with additional priorities linked to the agreed purpose of the grant and it utilises external resources to respond to such priorities wherever possible. However, additional grant funding would be needed if AT was to extend its grant funded scheme.
- AT undertakes other activities funded through public sector grants, contracts and external funding, and AT also acts as the Council's agent under separate arrangements by distributing grant funding on the Council's behalf. This can raise expectations amongst stakeholders with regard to the capacity for core infrastructure functions and create a lack of clarity around AT's role in different projects and partnerships.

2.5 The stakeholder engagement undertaken as part of the review highlighted a number of issues in relation to the Council's wider strategic relationship with the VCFSE sector, beyond the infrastructure provision in scope of the grant, and of other funded activity. In particular, this included the ambition to strengthen our approach to working with the sector in areas such as; social value, public sector volunteering, resident engagement, community use of assets, social enterprise, commissioning, community-led prevention.

2.6 Following the review, the Council liaised with AT in respect of the wider recommendations of the VCFSE infrastructure review. This included the development of a joint action plan to drive forward practical improvements identified in the review around the core functions and how the Council can collaborate to support these (e.g. joined up communications, promotion of employer supported volunteering etc.) This will be undertaken outside of the proposed grant arrangements.

2.7 In addition, as recommended through the review it has been agreed that a VCFSE and Volunteering Strategy & Action Plan should be co-designed between Council, ICB and VCFSE stakeholders. The strategy should recognise and build on the existing strengths of the sector and partnership working. The action plan will support the prioritisation of areas for development (including those identified through the review, e.g. public sector volunteering, community use of assets, development of the One Oldham Fund, consistent funding approaches). Again, this work will be undertaken outside of the proposed grant arrangements.

2.8 To support the above, a strategic VCFSE partnership will be established to co-design the strategy, and support the delivery of the Action Plan, recognising that all stakeholders have a role to play in strengthening our approach to working with the sector. The partnership will also provide a more direct strategic connectivity between local voluntary sector forums and key officers and commissioners across the Council and ICB, where issues and challenges can be discussed and addressed collectively.

Infrastructure Grant

2.9 The proposed 2025 – 2028 grant to AT is intended to contribute to the costs of AT'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 will contribute to AT's salary costs in respect of those staff members delivering AT's core outcomes, and the remainder of the grant will contribute to AT's overheads, including management costs and direct expenses.

- 2.10 Without the infrastructure grant, AT would not be in a position to deliver its core activity for the benefit of the VCSFE (taking into account earned income or other grant funding).
- 2.11 The provision of core grant funding over a longer timeframe is anticipated to increase AT's ability to attract other grant funding or investment because the grant offered by the Council would cover costs which other grant funders and investors would not meet. Further, medium-term certainty of funding levels for AT 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 will enable AT 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.
- 2.12 As part of the project which AT intends to deliver under the grant arrangements, AT will act as a strategic VCFSE partner, which will be beneficial to the community and the Council; AT is better placed to participate and commit resources within longer-term partnership plans and strategies.
- 2.13 The award of a three-year rather than annual grant reduces the resource required by the Council in managing the potential for an annual grant renewal process, whilst also allowing for the objectives and outcomes of the grant to be reviewed in light of current priorities in the medium-term.
- 2.14 AT is uniquely placed to offer VCSFE support due to its 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 AT remains the only organisation providing infrastructure support within the borough. The proposed grant would remain separate and be managed separately from other grants and contracts the Council may have with AT during the grant period. Robust monitoring arrangements would be put in place to ensure the outcomes continued to be delivered throughout the period of the grant funding.

3 Options/Alternatives

- 3.1 Option 1 - Cabinet approves the award of the VCFSE infrastructure grant of £811,500 (£270,500 per year) to Action Together CIO (subject to a satisfactory subsidy control assessment), and authority is given for the Council to enter into a suitable form of grant funding agreement with Action Together CIO for a period of three years (1st April 2025 – 31st March 2028), as detailed in this report. The grant funding agreement would be drafted by Legal Services on standard terms and conditions and subject to a fit for purpose project specification. Also, Cabinet approves the Borough Solicitor carries out all necessary legal formalities. The grant does not cover the full costs of delivery and represents a real term cut year on year taking into account the increase of costs. Given the limitations of the funding available the agreement should ensure continued focus on core provision of community development, volunteering and strategic representation. The option would provide medium-term continuity of provision and strategic support for the wider VCFSE sector.

3.2 Option 2 – The VCFSE Infrastructure Grant is renewed for a further one year (1st April 2025 – 31st March 2028) at the same level. This would be out of line with current NAVCA best practice and commitment in the Greater Manchester GM VCFSE Accord. The short-term nature of the agreement may impact on the level and quality of support available for the wider VCFSE sector.

3.3 Option 3 – Do not award the infrastructure grant. This is not regarded as a viable option as 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.

4 **Preferred Option**

4.1 Option 1 - Cabinet approves the award of the VCFSE infrastructure grant of £811,500 (£270,500 per year) to Action Together CIO (subject to a satisfactory subsidy control assessment), and authority is given for the Council to enter into a suitable form of grant funding agreement with Action Together CIO for a period of three years (1st April 2025 – 31st March 2028), as detailed in this report.

5 **Consultation**

5.1 As described in the report a review of the infrastructure provision was undertaken in 2023, this included consultation with the Portfolio holder, Deputy Chief Executive, Integrated Care Partnership Place Lead, and a range of service leads from across the Council. Action Together Director for Oldham has also been consulted.

6 **Financial Implications**

6.1 The preferred option as detailed in paragraph 4.1 is to award Action Together CIO a VCFSE infrastructure grant of £811,500 over a three-year period between 1st April 2025 and 31st March 2028.

6.2 An allocation of £270,500 will be paid to Action Together CIO in each of the three financial years (subject to a satisfactory subsidy control assessment).

6.3 This will be funded from the revenue budget allocated to the Priority Programme Fund (PPF), which is £306,500 for 2025/26.

(Matthew Kearns – Finance Manager)

7 **Legal Implications**

7.1 The Council has statutory powers to make grant awards, including under its general power of competence, which stems from the Localism Act 2011.

7.2 The Contract Procedure Rules will not apply to the award of grant funding, save in terms of the grant agreement formalities.

7.3 In regard to the grant award, the report specifically covers the individual position of Action Together CIO in the VCSFE sector and that there is no other organisation offering free support to VCSFE organisations. The infrastructure grant proposed would cover the general operating costs of Action Together CIO thus enabling the organisation to deliver the purpose of the proposed grant and meet the prescribed aims and objectives.

7.4 It is recommended that any grant award is made subject to a satisfactory subsidy control analysis, which will look at not only whether the grant would amount to a subsidy, but also whether the subsidy control principles will be met if it is assessed as a subsidy.

7.5 A fit for purpose grant agreement would be drafted and put in place to secure any grant award made. The terms of the grant agreement would deal with the purpose for which the grant is awarded, the aims and objectives, any monitoring arrangements and any clawback rights of the Council should the grant recipient fail to meet the prescribed aims and objectives or if any monies are spent on ineligible expenditure.

(Sarah Orrell – Commercial & Procurement Solicitor)

8 Equality Impact, including implications for Children and Young People

8.1 No – the impact of the preferred option would be neutral as the current support offer would be maintained. An impact assessment would be required if an alternative option was agreed.

9 Key Decision

9.1 Yes

10 Key Decision Reference

11.1 EE/05/24

12 Background Papers

12.1 None

13 Appendices

13.1 None