

Grants Committee

Leadership in The Third Sector: The role of London Boroughs and London Councils

Item

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Summary

At its meeting of 9 march 2016 members of the Grants Committee agreed that officers develop a proposal to work with City Bridge Trust on the implementation of the review into infrastructure support in London (being undertaken by London Funders) and that this be reported to the next meeting of the Grants Committee in July 2016.

This paper accompanies a presentation by City Bridge Trust on the potential role for the London boroughs through London Councils in the implementation of findings from *The Way Ahead- Civil Society at the Heart of London*.

City Bridge Trust have sought the involvement of London Councils, on behalf of the boroughs, to work in strategic partnership in the implementation of the report's findings including providing leadership in the third sector and in influencing the spend of a central pool of funding of independent funders. Because London Councils resources are attached to the administration of each priority, this role would require additional provision within the Grants Budget.

Recommendations

Members are asked to,

1. Note the presentation by City Bridge Trust
2. Discuss what role the London local authorities and London Councils should play in leading the shaping of future of the third sector as outlined in section three.
3. Agree that officers make provision in the 2017-18 budget proposals to be considered by the November meeting of Grants Committee for resources to cover London Councils officer time in this role as set out in section three

1. Background

1.1 At its meeting of 9 March 2016 members of the Grants Committee agreed that officers develop a proposal to work with City Bridge Trust on the implementation of the review into infrastructure support to voluntary and community organisations in London (being undertaken by London Funders) and that this be reported to the next meeting of the Grants Committee in July 2016.

1.2 This position follows views raised in the London Councils Grants Review (July 2015-March 2016) that there should be a Grants Programme going forwards beyond 2017 but that this should not include a priority solely focused on capacity building in the third sector. The Grants Review concluded that there was a widely held view that there was merit in pan-London support to build the third sector and a view that London Councils could continue to play an important role through its strategic leadership.

2. The Way Ahead

2.1 In 2015 City Bridge Trust commissioned London Funders/LVSC/ GLV to co-produce a report to produce a report on the future of support to civil society (the third sector) in London. The final report, *The Way Ahead- Civil Society at the Heart of London*, was published in April 2016. The Executive Summary is provided in **Appendix One**.

2.2 The report focuses on some key themes,

- the changing role of the state, voluntary and community sector (VCS) and funders of VCS
- the need to support communities to co-produce shared solutions drawing on the strengths of the community (geographical or otherwise)
- the need to provide strategic leadership and the role of pan-London resourcing (with the potential to bring together sources of funding in a London pool to fund the provision of support to the VCS)
- that the VCS should be supported to create consistent quality services and manage the risks associated with their increased role in delivering outcomes.

2.3 The report outlines a number of conclusions including a model of future third sector support with key principles underpinning it. The key principles focus on pragmatic co-production,

building community strength and self-reliance, values for civil society¹ and a theory of change.² The model for future third sector support includes the recommendations to have

- A London Hub of support provision working with specialist VCS support provision
- VCS support provision operating a 'triage and connect' function to connect VCS organisations to the right support
- Standardized resources to be customised and used locally
- Sharing of data on needs, policy developments and best practice
- A catalyst to drive improvement in quality and consistency of local support.

2.4 In particular, a role has been outlined for London Councils to

- Support the involvement of VCS in decision making
- Ensure consistent commissioning/ funding of local support.

The report describes a role for London Councils in working alongside the GLA, London Funders and the London Hub to work together to influence how local authority and health commissioners commission VCS support provision so that it aligns with the recommendations from the report. For example, this could be through supporting a piloting of the approach and sharing of results from this process.

2.5 Through discussions with City Bridge Trust and borough officers, officers have discussed further detail about the shape of London Councils' role in supporting consistent commissioning. A role has emerged for London Councils to play a key part in representing borough interests in influencing both the roll-out of the model and the allocation of a central pot of funding for third sector support services. The following section provides some further detail on these developments.

3. The role of London Local Authorities and London Councils

3.1 Officers set up a special meeting of the borough grants officers network to discuss the report's conclusions and how London Councils can support the boroughs in the implementation of the recommendations. There was general support for London Councils

¹ Values outlined are transparency, fairness, openness, equality, trust and accountability

² The theory of change describes a thriving civil society (that is adaptable, collaborative, sustainable, driven by and empowering communities and with voice) that leads to improved outcomes for Londoners.

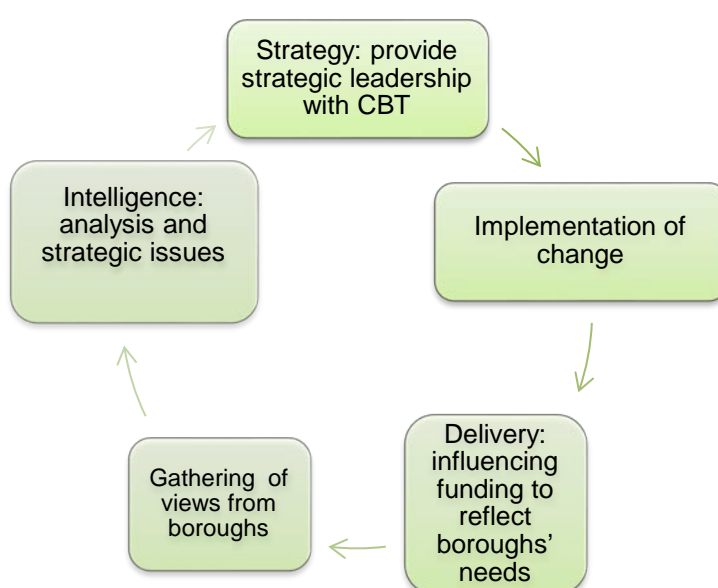
playing a role in supporting the boroughs with this. Officers have subsequently met with the chair of the borough grants officers network, City Bridge Trust and London Funders.

3.2 Given the increasing role of VCS in delivering outcomes for Londoners and the increased role of independent funders in facilitating this, there is potentially a need to ensure that there is sufficient strategic leadership to ensure limited resources are directed in a way that meets the needs of boroughs and local communities.

3.3 London Councils exists to provide key functions to boroughs that would be difficult to undertake individually as 33 boroughs. These are chiefly through efficiency, representation, leadership, sharing good practice and influence. In terms of a potential role in the implementation of recommendations on the future of the third sector London Councils could facilitate boroughs through as illustrated in figure 1;

- Influence regarding the distribution of funding for support services to the third sector, reflecting on local knowledge and strategic issues.
- Providing a voice to London boroughs in the implementation of the findings, allowing boroughs to input in a way that is an efficient use of their resources.
- Providing leadership in the third sector, utilising the democratic legitimacy of the 33 boroughs and the policy knowledge gathered through London Councils (using relevant policy themed borough officer networks where appropriate).
- Sharing best practice and support to London boroughs in the implementation of change,

Figure one



- 3.4 Key to the role will be representing the boroughs needs to independent funders, helping funders to draw up strategies in response to those needs and supporting the performance management and reporting back to the boroughs. This role could be undertaken through facilitating the relationship between a London pool (City Bridge Trust and the independent funders) and the London boroughs, through a small group of officers/ members. The role could also include membership (on behalf of the boroughs) on a board influencing funding for support services to the third sector, representing the views of boroughs. As the model is adopted across London, the role could also include supporting the sharing of best practice amongst boroughs through events or briefings.
- 3.5 The Grants Programme's related staffing costs are associated with the grants priorities and represent 5% of those figures. There is not any additional resource that could be used to administer this area of work. Before the autumn, officers will discuss with boroughs and City Bridge Trust a more detailed work plan for an additional officer resource for members to agree. The cost of one full time equivalent additional officer would be in the region of £75,000 per annum (including overheads and associated delivery costs). Subject to members agreeing the work plan, officers could include provision within the report on the proposed 2017-18 budget to be considered by members of the Grants and Leaders' Committees at their meetings in November and December 2016. This amount would sit outside the 5% non-grants expenditure amount in the grants budget because it does not relate to the management and administration of any of the three Grants Programme priorities. The proposal, if agreed would be kept in review, with a review at the end of the first 12 months, with updates provided to Grants Committee.
- 3.6 Following recommendations from Grants Committee, Leaders' Committee agreed at their meeting 22 March 2016 that there should be a Grants Programme from April 2017 to March 2021 focused on three priorities. Members agreed that the 2017-21 programme should not contain a priority solely focused on providing capacity building to the voluntary sector. Budget proposals to be considered by Grants Committee and Leaders' Committee in the autumn will reflect this as a reduction of £1.4m in the budget in comparison to the current budget. It is from this saving that this proposal would be funded. Appendix two provides and illustration of two scenarios regarding the anticipated reduction to each borough's subscription fees as follows,

Scenario 1 - Gross saving from cessation of Priority 4 plus apportionment of administration costs

Scenario 2 - Reduced saving allowing for potential £75,000 contribution towards City Bridge proposal, if agreed at this meeting.

These are indicative figures and a full report will be considered by Grants Committee and Leaders' Committee in November/December 2016.

Recommendations

Members are asked to,

1. Note the presentation by City Bridge Trust
2. Discuss what role the London local authorities and London Councils should play in leading the shaping of future of the third sector as outlined in section three
3. Agree that officers make provision in the 2017-18 budget proposals to be considered by the November meeting of Grants Committee for resources to cover London Councils officer time in this role as set out in section three

Financial Implications for London Councils

Should members agree, provision for London Councils officer time will be including in the budget report for 2017/18 that will be presented to the Grants Committee in November and onto the Leaders' Committee in December

Legal Implications for London Councils

Equalities Implications for London Councils

Equalities considerations relating to the move to a new Grants Programme were considered by members at Grants and Leaders' Committee meetings in November/December 2015 and March 2016.

Appendices

Appendix One

The Way Ahead – Executive Summary

Background Papers

Grants Committee, Grants Programme 2017-21, 9 March 2016

Leaders' Committee, Grants Programme 2017-21, 22 March 2016