



**Name of meeting:** Overview and Scrutiny Management Committee  
**Date:** 9<sup>th</sup> November 2021  
**Title of report:** Development of Kirklees VCSE (Voluntary Community and Social Enterprise) Investment Strategy

**Purpose of report:**

To generate discussion and seek input from Scrutiny on the approach and work undertaken to develop a Kirklees VCSE Investment strategy.

To consider some of the outcomes, learning and challenges identified and how these can be addressed.

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| <b>Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b> | <b>Yes</b><br><b>Impact in 2 or more wards</b>   |
| <b>Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u></b>   | <b>Not Yet</b>   |
| <b>The Decision - Is it eligible for call in by Scrutiny?</b>   | <b>N/A</b>   |
| <b>Date signed off by <u>Strategic Director</u> &amp; name</b>  | <b>Rachel Spencer Henshall, Director of Corporate Strategy, Commissioning and Public Health<br/>21/10/2021</b> |
| <b>Is it also signed off by the Service Director for Finance?</b>   | <b>N/A</b>   |
| <b>Is it also signed off by the Service Director for Legal Governance and Commissioning?</b>  | <b>N/A</b>   |
| <b>Cabinet member Housing and Democracy Portfolio</b>   | <b>Councillor Cathy Scott</b>  |

**Electoral wards affected:** All

**Ward councillors consulted:** No consultation has been carried out yet

**Public or private:** Public.

**Has GDPR been considered?** Yes

## 1. Summary

### Investing in Kirklees Voluntary, Community and Social Enterprise (VCSE) Sector

- In October 2020 the Executive Team within Kirklees Council received a paper entitled 'The Third Sector in Kirklees – A Strategic approach to funding and investment' which outlined the significant role the sector is playing in supporting communities during the pandemic, whilst also recognising some of the issues facing the sector as a result of it.
- Based on this paper the Executive Team agreed to commission work to co-produce and develop an Investment Strategy to identify how Kirklees Council can further support the VCSE including the faith sector within Kirklees.
- This approach has the support of the Democracy and Place Based Working Cabinet Portfolio holder, who was briefed in September 2020, has been identified as a priority by the Scrutiny Place Based Working subgroup and also formed part of the discussion at the Economy and Neighbourhoods Panel on 6 October
- The development of this Strategy builds on the vision and shared outcomes set out in the Kirklees Council Plan for 2018/20 to work with 'people, and partners using a place-based approach to achieve our shared outcomes and ultimately our vision'. It also reflects the ambition in the 2021/23 Council Plan to 'work alongside the voluntary and community sector in Kirklees to create a relationship that best delivers our outcomes'.
- The aims of the strategy are to harness the strengths and diversity of the VCSE within Kirklees – to welcome, capture and maximise their ability to innovate and be agile in response to changing need and to be easily accessible to the communities they serve. It is about supporting the sector to develop their own resources and build resilience so they can continue to address increasing health, economic and social inequalities and work to improve outcomes for the residents of Kirklees.
- The development of this strategy is underpinned by the 'We are working alongside' shared values. "We are working alongside" is our way of describing how people from VCSE organisations, Kirklees Council and health partners want to work together to make our local places even better. The approach includes a co-created statement of our shared principles and values: 'The way we want to do things around here'. This is designed to influence and encourage more productive and trusting relationships, based on our commitment to working with and alongside each other in our local places. Our method of commissioning the work, the collaborative approach to strategy development and the strategy content itself all clearly demonstrate our shared values in action. The shared values are:
  - We are coming from a different place
  - We are learning by doing
  - We are working on trust
  - We are growing confidence
  - We are taking courage from kindness
  - We are sharing with each other
  - We are listening with curiosity
  - We are open and honest
  - We are involving others early
  - We are recognising everyone

One example of the way we do things around here is:

#### ***We are working on trust***

*We're getting to know each other and to trust one another. We trust that everyone wants to achieve the best. Nobody is here to trip each other up. Our relationships are strong enough that we can be open about how one person or organisation affects another. We will create more opportunities for people to get to know each other better.*

- The purpose of this paper, and the discussion with Scrutiny, is to consider the approach and work undertaken to develop a VCSE Investment Strategy, to share what we've learned and explore opportunities to do things differently.

## 2. Information

- The Council recognises the crucial role that the VCSE plays in the local economy, creating jobs, delivering services, connecting people in neighbourhoods, improving community cohesion and reducing social isolation and loneliness as well as general health and well-being. The recent experiences in the context of the pandemic have brought that into even sharper focus.
- In March 2019 the National Lottery released a [funding ecology - research](#) report for Yorkshire & Humber which stated that Yorkshire & Humber 'had proportionally the lowest level of voluntary sector funding of any region in England', with funding per person less than half the England average and only 14% of that secured by the London region. Of 53 funders analysed, very few of the national funders had made awards locally in the preceding 3 years. Of the 21 Local Authorities in the Yorkshire & Humber area, Kirklees is 14th in terms of the funding awarded per head of population, with only Wakefield below it from the West Yorkshire region. When National Lottery funding is removed from this calculation Kirklees falls to 16th and is the lowest area in West Yorkshire for non-National Lottery grant awards.
- Council grant funding opportunities for the VCSE in 2019/20 totalled approximately £800k. In 2020/21 this is forecast to have increased to £2.3million, primarily as a result of Covid 19 emergency funding. Work is already underway to consolidate funding and improve information that is available to the sector. As yet we do not have data regarding the percentage of contracts commissioned to local VCSE, or insight into how this relates to other areas of West Yorkshire. The Kirklees VCSE is however linking to regional work relating to capturing the value of, and current investment in, the sector.
- Establishing an understanding our current funding position will be an important (but not the sole) element in being able to measure the success of any investment strategy. However, this strategy is about more than just funding the sector. It aims to cover a range of other investment options for Kirklees Council and partners, developing a range of options for strengthening a diverse group of organisations.

## Approach

- This work was jointly commissioned by Council and Third Sector Leaders (TSL) - building on the work for the VCSE during the pandemic. The lines of enquiry focussed on: -
  - More than just funding
  - Commissioning & Grants
  - Community Asset Transfers
  - Social enterprises
  - Access to specialist support, skills sharing
  - Working with local business
- Over 30 VCSE organisations representing the diversity of the sector in terms of ethnicity, age, size of organisation, and themes of work, and 14 different Kirklees Council officers and services have been involved in the co-production of this strategy, with additional input from other regional VCSE organisations and specialist support organisations. Organisations were invited to focus groups and one to one meeting as well as engagement taking place during other pre planned meetings such as the community anchor meetings.

## What have we learned?

The key themes that have emerged from discussions to date are: -

- **Building trust and working together** - the development of a VCSE strategy has highlighted that this is about working in a different way, increasing the understanding between sectors, and appreciating the roles everyone plays in making our local places even better and working with each other to overcome potential barriers or risks. The single word mentioned most throughout conversations with the VCSE sector was 'trust' – 'trust us to do a good job, trust in our ability, trust that we know our communities, trust that we will spend money wisely'. It was

also recognised, by both the VCSE and council officers that the pandemic is enabling significant progress in this area, through the efforts of so many VCSE organisations and the Community Anchors as part of the Covid-19 Coordinated Community Response work.

- **How we can work together to attract more non-Council funding** – invest in further development of VCSE infrastructure support. Provide support to VCSE to develop alliances and partnerships to respond to local tenders, and proactively attract external funds.
- **Funding principles – multi-year, stop circular /repetitive conversations. Encourage transparency, help build capacity and resilience** – to develop a commitment to a set of ‘funding principles’ to help improve capacity and resilience. We also need to develop a joint understanding of what funds are available to the VCSE in Kirklees and identify the best way to maximise impact to achieve Kirklees outcomes. The need to combine, consolidate and coordinate funds is important – we need to understand how much is being invested into the VCSE already across the 8 shared outcomes and where the need is now. It is also important that we involve other strategic partners such Locala and Health (CCGs) to maximise this opportunity, and proactively identify outcomes, where working with the VCSE could help attract more external funds.
- **Focus for increasing social enterprise start up and support** - we need to recognise the value of, and create conditions for, more Kirklees based community businesses (social enterprises, enterprise activity and cooperatives). This is already part of the Inclusive Economy with the Kirklees Local Economic Recovery Plan.
- **Communication** - we need to create more opportunities to get know each other better, listen and share skills, resources and knowledge with each other, know what’s happening locally and share our stories.

### Priority Actions

- In order to achieve effective and meaningful impact and outcomes, the VCSE investment strategy is proposing 3 overlapping priorities, with an action plan and measures of success, to support the sector as set out below: -
  - **Priority 1 - Invest to build trust and transparency:** creating an environment for partners to work alongside each other
  - **Priority 2 - Invest in whoever is best placed to provide the service or support:** recognising & valuing each other’s strengths
  - **Priority 3 - Invest to increase VCSE capacity and resilience:** empowering the VCSE to help themselves

### Covid Recovery Support to date

- **Community Buildings Recovery Grants** - supported The Council provided grant funding of £500k to support voluntary and community organisations who have been affected by national lockdowns and local restrictions.
- **Capacity Building Support** – since June 2021 support has been provided to 188 groups to support with governance, policies, fund raising, Grants Access Point renewals. This support will continue via the Council’s’ third sector team.
- **Community Buildings Support Survey** – a survey is currently being undertaken by TSL to better understand the current needs of those organisations who run/manage community spaces, and their support needs moving forward. The survey is open until 12 November and feedback will help inform action plan priorities.
- **Recruiting volunteers** - training and support on recruiting and supporting volunteers has been offered to groups who want to re-open, the focus was particularly around safeguarding with 40 organisations receiving 1 to 1 support and 18 groups taking part in training.
- **People helping people events** – awaiting details on sessions held, numbers involved at each, focus and next steps
- **Community buildings webinar** - 3 webinars held in July and September 2020 and August 2021. The purpose was to provide advice and guidance on the lifting of restrictions, what the government guidance meant for community group and buildings, talk through risk assessment and where to find further advice, guidance and support.
- **Community Organisations Support Survey** – in order to engage with smaller grassroots organisations, many of whom are re-opening after a period of closure, the Council’s third

sector team will undertake a survey in November 2021 to better understand the immediate challenges they are facing and their support needs.

- **Social Enterprise Support** – scoping an approach to encourage more social enterprises into Kirklees using a Sounding Board of local experts and existing social enterprises/cooperatives

#### **Action Plan Priorities**

- The feedback from VCSE organisations and Kirklees Council officers, along with feedback from the community buildings and community organisations support surveys will be used to inform the VCSE investment strategy action plan priorities. It is envisioned that this will be complete by financial year end.

### **3. Implications for the Council**

- **Working with People**

Working with and supporting the development of our local VCSE helps us to work with and alongside our citizens and communities, identifying solutions to local issues and working together to make our local places even better.

- **Working with Partners**

The development of the strategy is centred around closer working with the VCSE. With approximately 4% of the local workforce being employed by VCSE organisations, a healthy, vibrant, active and sustainable VCSE sector is integral to the economic recovery of Kirklees post Covid-19.

- **Place Based Working**

This strategy demonstrates place-based principles in action, showing how we can invest in our relationships with the VCSE for the benefit of everyone in Kirklees. Delivery of the identified priorities will be closely linked to work around developing local Anchor organisations, who will be working to create links with our Primary Care Networks and Place Partnerships. Further engagement with grassroots organisations will continue around the specific priorities.

- **Climate Change and Air Quality**

No specific impact in the context of this paper

- **Improving outcomes for children**

No specific impact in the context of this paper, however the VCSE clearly has an important role in supporting the delivery of this shared outcome.

- **Other (e.g. Legal/Financial or Human Resources)**

None

#### **Do you need an Integrated Impact Assessment (IIA)?**

Not applicable for this report

### **4. Consultees and their opinions**

No specific consultation has taken place in the production of this report.

Engagement with VCSE groups, Kirklees Council officers, regional VCSE organisations and specialist support organisations has taken place to inform the VCSE investment Strategy.

### **5. Next steps and timelines**

To consider the views expressed by Overview and Scrutiny Committee and continue to have conversations with the wider sector to progress action plan priorities.

To engage with elected members over the next couple of months to seek their views and input.

### **6. Officer recommendations and reasons**

Members are asked to note and support the approach taken to develop a VCSE Investment Strategy and progress made.

**7. Cabinet Portfolio Holder's recommendations**

This work has been supported by the Portfolio Holder.

**8. Contact officer**

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Diane Sims – Engagement and Communications Lead for Democracy

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**9. Background Papers and History of Decisions**

**Economy and Neighbourhoods Scrutiny Panel 6 October 2020**

<https://democracy.kirklees.gov.uk/documents/s37654/V2%20EN%20Scrutiny%20Panel%20Oct%202020.pdf>

**10. Service Director responsible**

Rachel Spencer Henshall, Director of Corporate Strategy, Commissioning and Public Health