



**Name of meeting:** Cabinet  
**Date:** 11 October 2022  
**Title of report:** Kirklees Voluntary Community and Social Enterprise (VCSE) Investment Strategy and 'We are Working Alongside' shared values

**Purpose of report:**

To seek approval of the Kirklees VCSE Investment Strategy and 'We are Working Alongside' shared values.

<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>  <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>Yes published <a href="#">Here</a></b>
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	<b>Yes</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 – 26.09.22</b>
<b>Is it also signed off by the Service Director for Finance?</b>	<b>Eamonn Croston, Service Director – Finance 27.09.22</b>
<b>Is it also signed off by the Service Director for Legal Governance and Commissioning?</b>	<b>Julie Muscroft – Service Director Corporate, Legal, Governance and Commissioning – 27.09.22</b>
<b>Cabinet member Housing and Democracy Portfolio</b>	<b>Councillor Cathy Scott</b>

**Electoral wards affected:** All

**Ward councillors consulted:** Briefings have been offered to all Political Groups

**Public or private:** Public.

**Has GDPR been considered?** Yes

# **Kirklees Voluntary Community and Social Enterprise (VCSE) Investment Strategy and 'We are Working Alongside' shared values**

## **1. Summary**

- 1.1 The VCSE Investment Strategy is a jointly commissioned piece of work by Kirklees Council and Third Sector Leaders, building on the coordinated community response throughout the Covid pandemic.
- 1.2 The development of the strategy took place alongside VCSE organisations, council teams and health partners. We examined ways that we could work better together.

Our main lines of enquiry were focussed on:

- More than just funding
  - Commissioning and grants
  - Community Asset Transfers
  - Social enterprises
  - Access to specialist support and skills sharing
  - Working with local business
- 1.3 We invited organisations to focus groups and one to one meetings, as well as engaging people from voluntary and community organisations during planned meetings such as the Community Anchors meetings.
  - 1.4 The strategy has been co-produced following feedback from over 30 VCSE organisations. Participants represent the diversity of the sector in terms of the ethnicity and age of the citizens who participate or who are supported by the work, the size of organisations and the themes of their work. Kirklees Council officers and services also participated. We had additional input from other regional VCSE organisations and specialist support organisations.
  - 1.5 We have also engaged 66 organisations who manage community buildings in Kirklees and 219 community groups, to ensure representation and to inform priorities.

## **2. Background**

- 2.1 Kirklees Council recognises the crucial role that the VCSE sector 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 improving people's general health and wellbeing. Our shared experiences since the beginning of the pandemic have brought this into even sharper focus.
- 2.2 More recently, as a response to rises in the cost of living, the council has been provided £3.702m of Household Support Fund monies by central government. This Fund is intended to support vulnerable residents with payments and grants such as vouchers, to help meet daily needs such as food, clothing, and utilities.
- 2.3 Kirklees Council recognises the vital role which the VCSE has in supporting residents who are experiencing poverty and financial crisis. Therefore, £650k of this budget will be utilised by working the local VCSE in order to enable place-based support within local communities and with residents who may not access 'traditional' support routes.

- 2.4 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.
- 2.5 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.
- 2.6 The development of this Strategy built 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 strongly 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'.
- 2.7 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.
- 2.8 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. This 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 attached at **Appendix 1**

### **3. Information**

- 3.1 In March 2019 the National Lottery released a [Yorkshire and Humber funding ecology research report](#) 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 three 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.
- 3.2 The more recent [Yorkshire & Humber voluntary sector funding ecology research 2021 report](#) reveals that in proportional terms, Yorkshire and Humber's voluntary sector income remains one of the lowest in England and that funding to charities in Kirklees remains low compared to neighbouring authorities. Kirklees is now in 17th in terms of funding per head of population and drops further to 19th or 20th when deprivation and population levels are taken into consideration.

- 3.3 Council grant funding opportunities for the VCSE in 2019/20 totalled approximately £800k. In 2020/21 this increased to £2.1million, primarily as a result of Covid-19 emergency funding. Funding so far 2021/22 is £3.24 million.
- 3.4 Work is already underway to streamline the council funding process and to improve information that is available to the sector. Work is also underway to capture the percentage of contracts commissioned to local VCSE organisations and to improve insight into how this relates to other areas of West Yorkshire. The Kirklees VCSE is linking to regional work capturing the value of, and current investment in, the sector.
- 3.5 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.
- 3.6 The draft VCSE Investment Strategy is attached at **Appendix 2**.

A summary of the key themes that have emerged from discussions to date are:

- 3.6.1 **Building trust and working together** - the development of a VCSE investment 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.
- 3.6.2 **How we can work together to attract more non-council funding** – invest in further development of VCSE infrastructure support. Provide support to the VCSE sector to develop alliances and partnerships, to respond to local tenders, and proactively attract external funds.
- 3.6.3 **Funding principles – multi-year, stop circular or repetitive conversations. Encourage transparency, help build capacity and resilience** – 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 our 8 shared outcomes and where the need is now. It is also important that we involve other strategic partners such Locala and Health (ICS) to maximise this opportunity, and proactively identify outcomes, where working with the VCSE could help attract more external funds.
- 3.6.4 **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.

- 3.6.5 **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.

#### 4. **Action Plan**

- 4.1 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:

**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

- 4.2 In order to ensure that as many organisations as possible can contribute to the development of the action plan, we have held further engagement activities to inform the priorities and actions:

4.2.1 **Community Buildings Support Survey** – organised by Third Sector Leaders Kirklees, this has helped us to better understand the current needs of those organisations who run or manage community spaces. The results highlighted the financial challenges organisations are facing, with increasing utility and maintenance costs at a time when income is still below pre-pandemic levels.

4.2.2 **Community Organisations Support Survey** – organised by the council's Third Sector Team, this has helped us to engage with smaller grassroots organisations, many of whom are re-opening after a period of closure. We found that income and finance are causing the greatest concern to groups, with nearly 40% of participants being concerned and uncertain about how they will manage over the next year.

4.2.3 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. We expect this phase to be complete by September 2022. However, further engagement will take place as the action plan progresses.

#### 5. **Information required to take a decision**

- 5.1 Along with this report, we have provided:

5.1.1 **Appendix 1:** We are Working Alongside shared values

5.1.2 **Appendix 2:** VCSE Investment Strategy

5.1.3 **Appendix 3:** Breakdown of VCSE organisations per locality

## 6. 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. Approximately 4% of the local workforce are employed by VCSE organisations, in addition to the hours of volunteering provided by people in the sector. A healthy, vibrant, active and sustainable VCSE sector is therefore integral to the economic recovery of Kirklees.

- **Place Based Working**

This strategy demonstrates our 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 is closely linked to the development of local Anchor Organisations, who are working to create links with our Primary Care Networks and Elected Members, with a focus on local health improvement. 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)**

The council is required to have regard to its public sector Equality duty under section 149 Equality Act 2010. Also any procurements of goods ,works or services must be in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and the emerging Procurement Bill .The council must comply with its Best Value duty under section 3 Local Government Act 1999 requires a best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness and have regard to the revised Best Value statutory guidance (march 2015) . In addition, any support for the VCSE must comply with Subsidy Control rules.

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

An IIA has been carried out and can be viewed via this link. In summary, officers have judged that the impact will be neutral on the environment and very positive on employees, residents, and service-users across all protected characteristics (age, disability, gender reassignment, marriage/civil partnership, pregnancy and maternity, race, religion and belief, sex, sexual orientation, and unpaid carers) and those who live in poverty or have low-incomes. Because of this, a Stage 2 assessment was not required. The completed Integrated Impact Assessment can be found [Here](#)

## **7. Consultees and their opinions**

- 7.1 The development of the VCSE investment strategy and action plan has involved engagement with a wide range of organisations.
- 7.2 The approach and work undertaken to develop the strategy has been shared with Overview and Scrutiny Management Committee, their comments and recommendations have been taken onto account and an update reported to the Committee as the strategy was developed:
- 7.2.1 We have engaged an additional 209 groups across Kirklees, of which 50% are local grassroots groups, helping us to understand the current challenges for our vital community organisations.
- 7.2.2 We have shared information with councillors about our engagement plans and provided information to share with local groups via their social media platforms, to help encourage groups to respond. In addition, we have offered a briefing on the development of the VCSE Investment Strategy to all political groups.
- 7.2.3 Kirklees Council's Third Sector Team, Third Sector Leaders Kirklees, One Community and Anchor Organisations are working together to help raise awareness about funding and how groups can find out what's available. The Third Sector Team have also organised a funding masterclass to help groups attract more participants and to share tips on funding: [Footfall & Funding Workshop for VCS Groups](#)
- 7.3 This approach has been shared with the Housing and Democracy portfolio holder, has been identified as a priority by the Scrutiny Place Based Working subgroup and has been discussed at the Economy and Neighbourhoods Scrutiny Panel.
- 7.4 To date the approach has been discussed with the Customer and Communities and Environment and Climate Change senior leadership teams, for their comments and input.

## **8. Next steps and timelines**

- 8.1.1 The development of the VCSE Investment Strategy has been informed by feedback from Kirklees Council, third sector partners, health partners and Councillors. It has been submitted to Cabinet for a decision.
- 8.1.2 Feedback from our engagement activities will help inform the action plan priorities. The action plan will be co-produced with a view to addressing immediate priorities during 2022-23 and working towards longer-term priorities for the future that will support the sector to develop their own resources, help to increase capacity and resilience so they can continue to improve outcomes for the residents of Kirklees.

## **9. Officer recommendations and reasons**

We ask that Cabinet approves the VCSE Investment Strategy (Appendix 2) and 'We are Working Alongside' shared values (Appendix 1), for the following reasons:

- The strategy recognises the crucial role that the VCSE sector 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 improving general health and wellbeing
- The strategy recognises how important it is to support the third sector to develop their own resources and build resilience so they can attract external funds and address increasing health, economic and social inequalities and work to improve outcomes for the residents of Kirklees.
- The strategy and 'We are Working Alongside' shared values have been co-produced and informed by feedback from a wide range of organisations and partners.
- Subject to any consultation requirements delegate authority to Strategic Director for Corporate Strategy, Commissioning & Public Health in consultation with the Housing and Democracy Portfolio Holder to amend the strategy as necessary (and report significant amendments back to cabinet).

## **10. Cabinet Portfolio Holder's recommendations**

The Cabinet Portfolio Holder has been consulted throughout the development of the VCSE Investment Strategy and recognises the importance of building strong and effective partnership working with the VCSE sector in order to achieve better outcomes for our communities.

The Cabinet Portfolio Holder accepts the officer recommendations of the Strategy and the 'We are Working Alongside' shared values.

## **11. Contact officers**

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## **12. Background Papers and History of Decisions**

- Appendix 1: We are Working Alongside shared values
- Appendix 2: VCSE Investment Strategy
- Appendix 3: Breakdown of VCSE organisations per locality
- [Agenda for Overview and Scrutiny Management Committee on Tuesday 9th November 2021, 2.00 pm | Kirklees Council](#)

## **13. Strategic Director responsible**

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