

CABINET

Report Title	Corporate Review of Voluntary and Community Sector Grants
Date of Meeting	Wednesday, 9 April 2025
Report Author	Kate Ashley
Lead Officer	Assistant Chief Executive
Lead Cabinet Member(s)	Cabinet Member for Finance & Resources and Deputy Leader
Key decision?	No
Identify exempt information and exemption category	Choose an item.
Is the report urgent?	No
Reasons for urgency (only where applicable)	n/a
Appendices (if any)	1. Draft Voluntary and Community Sector Funding Protocols

1. Executive Summary

- 1.1 Sandwell has a strong voluntary and community sector (VCS) which contributes significantly towards the improvement of lives of citizens on a daily basis. The Council has long recognised the importance and value of the VCS and, in contrast to some local authorities, did not seek to reduce its funding commitment to the sector during the years of austerity and financial restraint under the previous government. As such there had not been a corporate review of the approach taken to the funding provided to the VCS for a long time.
- 1.2 As part of the budget setting process for the 2024/25 financial year, the Council committed to undertake a corporate review of VCS grants funded through the Council's General Fund and identified an efficiency target of £250k to be achieved from the review. This report sets out the recommendations made by an externally conducted review of how the council funds the VCS in Sandwell, and how the Council intends to respond to them. This includes proposing changes to the Voluntary and Community Sector Funding Protocols within the

Council's Constitution to improve clarity of approach to all stakeholders, and Cabinet are asked to refer these to the Governance & Constitution Committee for consideration.

2. Recommendations

The Cabinet is recommended to:-

- 2.1 Receive the findings of the external review of voluntary and community sector grants and endorse the council's response.
- 2.2 Refer the draft Voluntary and Community Sector Funding Protocols at Appendix 1 to be considered by the Governance and Constitution Review Committee

3. Proposals – Reasons for the recommendations

3.1 Background

- 3.1.1 An independent review of the way that the council funds the local VCS was commissioned and commenced in September 2024. This review was an integral part of aligning the council's activities with the strategic goals outlined in the Council Plan 2024-2027 and supporting the Medium-Term Financial Strategy.
- 3.1.2 This was a wholesale review of the level of funding awarded by the council to VSC organisations in the Borough, how it is allocated and the outcomes achieved from that funding. Through this review, the council sought an evaluation of the value for money achieved by the current approach, along with recommendations on how to improve the efficiency and effectiveness of grant administration and allocation of funding across the council. The findings of the review were to aid with the development of a new model of delivery closely aligned to the strategic outcomes of the council, the new Sandwell Place Vision and one that recognises the current and future demographics of the communities of Sandwell and the challenges that they will face.
- 3.1.3 The review was undertaken by Trueman Change, an external organisation with experience of conducting evaluation and reviews of public and voluntary sector organisations. Through the review Trueman Change conducted a comprehensive document review and sought the views of multiple stakeholders from the council and the local VCS. In total, the review captured over 130 responses through surveys, focus groups and one-to-one interviews during Autumn 2024.
- 3.1.4 The review has now concluded and has made a number of recommendations that provide a pathway to establish a corporate One Council approach to the commissioning and grant funding of the local VCS.

3.2 Review Findings

- 3.2.1 Through an analysis of the grant funding administered by Sandwell Council in 2023/24, the review found the following key headlines:

- Overview: 269 grants were administered in this period totalling £11,371,040
- Funding sources: 25 different funding streams were identified, with the main sources were Public Health Grant (£2.9m, 25%), General Fund (£2.2m, 23%) and DfE Holiday Activity Fund (£1.9m, 16%).
- Awarding process: 55% of grants were awarded following an open application process, 20% were direct awards, with the remaining 25% of grants being 'recurring' and issued to the same organisations in receipt of funding for over 10 years.
- Value: the range of grant values varied significantly, from £490 to £510,000 per year. The majority (49%) of grants were under £20,000 per year.
- Duration: this ranges from two months to three years, with the majority (42%) of grants awarded for 12 months.
- Allocation: 32% of grants are for those organisations in receipt of multiple grants, with 50% of the overall grant funding awarded to ten organisations operating in the borough.

3.2.2 From the review of the council's grant programmes, documentation and feedback from stakeholders, the findings from the review can be summarised into the following broad themes:

- Application and monitoring processes need to be streamlined and simplified, ensuring transparency in decision making and providing clarity on whether larger value programmes should be funded through contracts rather than grants
- Governance arrangements should be strengthened to ensure grant programmes are aligned to the strategic priorities set out in the Council Plan 2024-27 and that there is a 'whole council approach' to eliminate duplication of commissioning and grant funding
- Administration costs included within grant programmes could be reduced or eliminated by the council taking full advantage of the newly implemented Grant Management System and bringing this activity in-house
- Where organisations have been in long-term receipt of funding and should be well established to secure funding from other sources, there is opportunity to review the financial support provided by the council to determine if there are appropriate alternatives. Council funding could be redirected towards 'seed funding' groups and organisations supporting new and emerging communities.

3.2.3 The analysis of the grant allocations and the findings set out above show that there are opportunities for the council to improve its internal governance processes and the way it funds the local VCS to support our communities. In doing so this will further strengthen the relationship between the council and the sector in Sandwell.

3.3 Action to Address the Findings

- 3.3.1 The external review made a number of recommendations that provide a pathway to establishing a corporate 'One Council' approach to the commissioning and grant funding of the voluntary and community sector operating in Sandwell. This section sets out what the council has already done in response to the recommendations, and what further action it will take.
- 3.3.2 The council has already established stronger internal governance arrangements around the commissioning of grant programmes to provide greater corporate oversight and collaboration across the organisation. A Corporate VCS Grants Board has been established to provide a 'check and challenge' approach to grant programmes before they are commissioned. This will ensure that all opportunities for collaboration and improvement have been identified and the impact of decisions has been considered. This Board is chaired by the Assistant Chief Executive with representation from across the council to facilitate a 'one council' approach to commissioning grant programmes.
- 3.3.3 All grant programmes will be reviewed to ensure the desired outcomes align with the council's strategic priorities and the needs of our communities, whilst ensuring that we are achieving the best possible value for money for our residents. The outcomes of these reviews will be reported to the VCS Grants Board to ensure corporate oversight of the recommendations and impact of the decisions. Initially, those grants ending in 2025 are being reviewed and the organisations within scope have been or will be contacted directly at the appropriate time. All grant programmes will be subject to this governance process over time.
- 3.3.4 The review recommended that the council should adopt and publish principles that should be applied to future decisions in respect of grant funding to provide clarity and consistency to all involved. Based on the findings of the review and the recommendations made, it is proposed that the council adopt the following principles which align to the Sandwell Compact and the Voluntary & Community Sector Funding Protocols:
- All grant programmes will be aligned to the strategic priorities set out the Council Plan 2024-27 and Vision 2030
 - Grants will be awarded through an open application process, however direct awards can be made where there is demonstrable evidence that this represents best value, such as where there are sole providers, culturally sensitive needs or grant programmes are time sensitive.
 - Grants will be awarded for a maximum period of three years in line with the Sandwell Compact to provide stability and certainty of funding to VCS organisations. Shorter funding periods may be applied where appropriate, such as where programmes are funded from external sources or are for short-term activities

- Where the total value of programmes is above £150,000 then this should be commissioned through a contracting process in line with the council's Procurement & Contract Procedure Rules, unless there are specific conditions attached to the passporting of grant funding through the council, or there is demonstrable evidence that a grant would deliver better value for money than a contract.

3.3.5 The Voluntary and Community Sector Funding Protocols form part of the Council's Constitution at Part 4 – Rules of Procedure and set out how the council should design and award grant programmes. However, these Protocols have not been reviewed for several years and the findings from the external review now present an opportunity to refresh the procedures in line with the council's current approach to funding the sector and stronger governance arrangements. The draft updated Voluntary and Community Sector Funding Protocols are included at Appendix 1 - the basic principles and approach set out in this document have not significantly changed from the original, with the key changes being the alignment of approvals with the current Key Decision Thresholds and internal governance processes as well as the adoption of the principle that any grant with a total value of £150,000 should be a contract unless a grant would be better value for money. Cabinet is asked to refer this document to the Governance and Constitution Committee for consideration to include in the Council's Constitution.

3.3.6 The council is currently implementing an online Grant Management System which will support streamlined application and monitoring processes, as well as improving access to management information and oversight of grant programmes administered across the council. The external review recommended that the council maximise the opportunities for efficiency offered by the Grant Management System, enabling officers to spend more time supporting commissioners and VCS organisations. The review also recommended that the council review our approach to monitoring grants, taking a proportionate approach to activity based on the financial value of grant programmes. This will be built into the updated business process once the Grant Management System is fully implemented.

3.3.7 The external review identified two areas of grant funding where specific focus work was recommended to ensure the outcomes aligned to the Council Plan 2024-2027 and were delivering value for money. The council now needs to undertake further work to determine how these recommendations could be implemented in practice:

- Review administration or management fees included within grants to determine the best value approach
 - A number of current grant programmes are managed and administered by VCS organisations on behalf of the council for a fee over and above the funding for local programmes. These arrangements were put in place to support the council's limited capacity at the time to manage such grant programmes.
 - This arrangement now needs reviewing in the context of the implementation of the Grant Management System and subsequent streamlining of application and monitoring processes to determine whether this approach continues to offer value for money. An alternative option could be to bring this activity in-house, which would also bring

greater accountability and transparency in the allocation of grant funding.

- The underlying principle of this approach is that any reduction in management or administration fees would not prevent funds going directly to local communities and groups.
 - Conduct a detailed review of the current advice services funded by the council to identify any areas for consolidation and improvement
 - The council currently spends a total of £1.097m per year on advice services from the VCS, which represents around 10% of the overall funding given to the sector by and through the council.
 - The external review identified areas of potential duplication in delivery of advice services across the organisations in receipt of funding as well as by the council's own Welfare Rights Team. There is no doubt that the work of these organisations on the ground in local communities is valued, but there is a clear need to consider the best value principle in respect of the funding of advice services in the future.
 - A specific review into the advice services grant programme has commenced, and all the organisations in receipt of grant funding for this programme have been informed and are involved in the review.
- 3.4 Regular updates on the progress of addressing the findings of the external review will be made to the Cabinet Member for Finance and Resources. Any changes to grant programmes or funding arrangements as a result of the reviews discussed above will be subject to an Equality Impact Assessment to ensure that decisions take into account the wider impact on the organisations and the communities they support.
- 3.5 A further report will be presented to Cabinet in Autumn 2025 to provide an update on progress in addressing the findings of the review.
4. **Alternative Options Considered**
- 4.1 The external review of how the council funds the VCS in Sandwell was commissioned as part of the council's ongoing improvement journey and to ensure that council resources are allocated in line with the Council Plan 2024-2027 and the Medium-Term Financial Strategy. The review engaged with a wide range of stakeholders from the local VCS, as well as council officers and elected members.
- 4.2 Cabinet is asked to receive the findings of the review and endorse the action taken by the council to date and planned for the future, therefore there are no alternative options to be considered for this matter. Should the council not seek to address the findings in the review, this would reduce the opportunity for improvement in the way we fund the VCS in Sandwell as well as negatively impacting the council's relationship with the local sector.
- 4.3 Cabinet is also recommended to refer the refreshed Voluntary and Community Sector Funding Protocols to the Governance & Constitution Committee for consideration to include in the Council's Constitution. The alternative option here is that Cabinet decides not to refer the Funding Protocol to the Governance & Constitution Committee. In this case, the current Funding Protocols would remain in place – whilst these do not fully reflect the

recommendations made by the external review, they do provide the framework from which to implement stronger governance arrangements for grant programmes to ensure spend is aligned to the Council Plan 2024-2027.

5. Consultation

- 5.1 As set out in paragraph 3.1.3 above, the external review captured over 130 responses from council officers, elected members and VCS organisations in Sandwell. This feedback was integral to the formulation of the recommendations that the council has adopted and are addressing.
- 5.2 The proposed refresh of the Voluntary and Community Sector Funding Protocols seek to strengthen the existing framework by aligning it with the current governance framework set out in the Constitution and clarifying the existing processes and procedures. Any formal consultation required would be conducted prior to the draft Protocols being submitted to the Governance & Constitution Committee.

6. Financial Implications

- 6.1 The recommendations made around streamlining processes and procedures will be managed within existing team resources. Where capacity is released through more efficient practices, this will be redirected to more value-added activity such as supporting commissioners and VCS organisations in the design and administration of grant programmes as well as identifying additional external funding to apply for. Therefore, there are no direct financial implications of this activity.
- 6.2 Where reviews of grant programmes identify changes to funding allocations, this will be reported to the Corporate VCS Grants Board for oversight and onward reporting to Strategic Leadership Team. The VCS Grants Board has representation from Finance to ensure reduction or increase in grant funding for programmes is captured and aligned to the existing budgets. Senior Officers (Directors) retain responsibility for the allocation of funding in line with the budgets set by the Council.

7. Legal and Governance Implications

- 7.1 The Voluntary and Community Sector Funding Protocols form part of the Council's Constitution at Part 4 – Rules of Procedure. Any changes to the Constitution must be considered by the Governance & Constitution Committee before it can be adopted by Full Council.

8. Risks

- 8.1 The key risks associated with the activity set out in this report are as follows:
- 8.2 **Reputation** – should the council not implement improvements to the way it funds the VCS in Sandwell after the external review has sought out the views of the sector, then there will be a negative impact on the council's reputation. This could lead to a reduction in trust, and potentially VCS organisations not wishing to work with the council and support communities in need. Therefore, it is imperative that the council continues to learn from the review and seeks to

implement improvements in governance, alignment of funding to priorities and transparency.

- 8.3 **Financial** – the review identified areas of potential reduction to current grant programmes where they are not delivering best value or where there is duplication of funding. Without implementing the recommendations of the review, the council would be at risk of allocating resources inefficiently and not achieving the financial targets set in the Medium-Term Financial Strategy and Budget.

9. Equality and Diversity Implications (including the public sector equality duty)

- 9.1 The actions set out in this report focus on strengthening governance and oversight arrangements of existing processes and procedures. Where reviews of current grant programmes result in a change of approach, an Equality Impact Assessment (EIA) will be conducted in each case to ensure that the full impact on the organisation and the community it supports is taken into consideration before a decision is made. The Corporate VCS Grants Board will ensure that EIAs are conducted before approval is given for grant programmes to proceed.

10. Other Relevant Implications

- 10.1 None.

11. Background Documents

- 11.1 *“Review of Sandwell Council’s Funding of the Voluntary and Community Sector”* – Trueman Change, November 2024.

12. How does this deliver the objectives of the Strategic Themes?

- 12.1 The actions set out in this report will support the delivery of all of the Strategic Themes in the Council Plan 2024-2027, as the council funds grant programmes in all areas of the council’s work. The improvement in governance and alignment of resources towards the Strategic Themes will contribute to achieving the One Council One Team priority through the delivery of a sustainable financial strategy as well as embedding clear and transparent decision making.

To be completed if you do not need an Equality Impact Assessment.

Relevance Check

Budget Reduction/Service Area: Service Improvement/Voluntary Sector Grants

Service Lead: Kate Ashley

Date: 10/03/25

In what ways does this Budget reduction have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

N/A – no specific budget reduction is proposed in this report.

The improvements to governance around alignment of grants to the Strategic Themes in the Council Plan and the allocation of funding will improve transparency and openness, which in turn will improve the council's reputation and trust with communities. Changes to application and monitoring processes will be through a managed process with support and guidance provided to commissioners and VCS organisations to ensure no one is disadvantaged by the changes.

Through the review of current grant programmes to ensure alignment with the Council Plan and reduce duplication of funding/commissioning the council may identify where a reduction in grant funding may be appropriate to ensure best value.

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

N/A

Is a Customer Impact Assessment needed? No

An independent review of the way that the council funds the local voluntary and community sector (VCS) was commissioned and commenced in September 2024. This review was an integral part of aligning the council's activities with the strategic goals outlined in the Council Plan 2024-2027 and supporting the Medium-Term Financial Strategy.

- 4.3.1 This was a wholesale review of the level of funding awarded by the council to VSC organisations in the Borough, how it is allocated and the outcomes achieved from that funding. Through this review, the council sought an evaluation of the value for money achieved by the current approach, along with recommendations on how to improve the efficiency and effectiveness of grant administration and allocation of funding across the council. The findings

of the review were to aid with the development of a new model of delivery closely aligned to the strategic outcomes of the council, the new Sandwell Place Vision and one that recognises the current and future demographics of the communities of Sandwell and the challenges that they will face.

4.3.2 The review was undertaken by Trueman Change, an external organisation with experience of conducting evaluation and reviews of public and voluntary sector organisations. Through the review Trueman Change conducted a comprehensive document review and sought the views of multiple stakeholders from the council and the local VCS. In total, the review captured over 130 responses through surveys, focus groups and one-to-one interviews during Autumn 2024.

4.3.3 The review has now concluded and has made a number of recommendations that provide a pathway to establish a corporate One Council approach to the commissioning and grant funding of the local VCS.

4.4 Review Findings

4.4.1 Through an analysis of the grant funding administered by Sandwell Council in 2023/24, the review found the following key headlines:

- Overview: 269 grants were administered in this period totalling £11,371,040
- Funding sources: 25 different funding streams were identified, with the main sources were Public Health Grant (£2.9m, 25%), General Fund (£2.2m, 23%) and DfE Holiday Activity Fund (£1.9m, 16%).
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- Allocation: 32% of grants are for those organisations in receipt of multiple grants, with 50% of the overall grant funding awarded to ten organisations operating in the borough.

4.4.2 From the review of the council's grant programmes, documentation and feedback from stakeholders, the findings from the review can be summarised into the following broad themes:

- Application and monitoring processes need to be streamlined and simplified, ensuring transparency in decision making and providing clarity

on whether larger value programmes should be funded through contracts rather than grants

- Governance arrangements should be strengthened to ensure grant programmes are aligned to the strategic priorities set out in the Council Plan 2024-27 and that there is a 'whole council approach' to eliminate duplication of commissioning and grant funding
- Administration costs included within grant programmes could be reduced or eliminated by the council taking full advantage of the newly implemented Grant Management System and bringing this activity in-house
- Where organisations have been in long-term receipt of funding and should be well established to secure funding from other sources, there is opportunity to review the financial support provided by the council to determine if there are appropriate alternatives. Council funding could be redirected towards 'seed funding' groups and organisations supporting new and emerging communities.

4.4.3 The analysis of the grant allocations and the findings set out above show that there are opportunities for the council to improve its internal governance processes and the way it funds the local VCS to support our communities. In doing so this will further strengthen the relationship between the council and the sector in Sandwell.

4.5 Action to Address the Findings

4.5.1 The external review made a number of recommendations that provide a pathway to establishing a corporate 'One Council' approach to the commissioning and grant funding of the voluntary and community sector operating in Sandwell. This section sets out what the council has already done in response to the recommendations, and what further action it will take.

4.5.2 The council has already established stronger internal governance arrangements around the commissioning of grant programmes to provide greater corporate oversight and collaboration across the organisation. A Corporate VCS Grants Board has been established to provide a 'check and challenge' approach to grant programmes before they are commissioned. This will ensure that all opportunities for collaboration and improvement have been identified and the impact of decisions has been considered. This Board is chaired by the Assistant Chief Executive with representation from across the council to facilitate a 'one council' approach to commissioning grant programmes.

4.5.3 All grant programmes will be reviewed to ensure the desired outcomes align with the council's strategic priorities and the needs of our communities, whilst ensuring that we are achieving the best possible value for money for our residents. The outcomes of these reviews will be reported to the VCS Grants Board to ensure corporate oversight of the recommendations and impact of the decisions. Initially, those grants ending in 2025 are being reviewed and the organisations within scope have been or will be contacted directly at the

appropriate time. All grant programmes will be subject to this governance process over time.

4.5.4 The review recommended that the council should adopt and publish principles that should be applied to future decisions in respect of grant funding to provide clarity and consistency to all involved. Based on the findings of the review and the recommendations made, it is proposed that the council adopt the following principles:

- All grant programmes will be aligned to the strategic priorities set out the Council Plan 2024-27 and Vision 2030
- Grants will be awarded through an open application process, however direct awards can be made where there is demonstrable evidence that this represents best value, such as where there are sole providers, culturally sensitive needs or grant programmes are time sensitive.
- Grants will be awarded for a maximum period of three years in line with the Sandwell Compact to provide stability and certainty of funding to VCS organisations. Shorter funding periods may be applied where appropriate, such as where programmes are funded from external sources or are for short-term activities
- Where the total value of programmes is above £150,000 then this should be commissioned through a contracting process in line with the council's Procurement & Contract Procedure Rules, unless there are specific conditions attached to the passporting of grant funding through the council, or there is demonstrable evidence that a grant would deliver better value for money than a contract.

4.5.5 The Voluntary and Community Sector Funding Protocols form part of the Council's Constitution at Part 4 – Rules of Procedure, and set out how the council should design and award grant programmes. However, these Protocols have not been reviewed for a number of years and the findings from the external review now present an opportunity to refresh the procedures in line with the council's current approach to funding the sector and stronger governance arrangements. The draft updated Voluntary and Community Sector Funding Protocols are included at Appendix 1: the basic principles and approach set out in this document have not significantly changed from the original, with the key changes being the alignment of approvals with the Key Decision Thresholds and internal governance processes as well as the adoption of the principle that any grant with a total value of £150,000 should be a contract unless a grant would be better value for money. Cabinet is asked to refer this document to the Governance and Constitution Committee for consideration to include in the Council's Constitution.

4.5.6 The council is currently implementing an online Grant Management System which will support streamlined application and monitoring processes, as well as improving access to management information and oversight of grant programmes administered across the council. The external review recommended that the council maximise the opportunities for efficiency offered by the Grant Management System, enabling officers to spend more time supporting commissioners and VCS organisations. The review also

recommended that the council review our approach to monitoring grants, taking a proportionate approach to activity based on the financial value of grant programmes. This will be built into the updated business process once the Grant Management System is fully implemented.

4.5.7 The external review identified two areas of grant funding where specific focus work was recommended to ensure the outcomes aligned to the Council Plan 2024-2027 and were delivering value for money:

- Review administration or management fees included within grants to determine the best value approach
 - A number of current grant programmes are managed and administered by VCS organisations on behalf of the council for a fee over and above the funding for local programmes. These arrangements were put in place to support the council's limited capacity at the time to manage such grant programmes.
 - This arrangement now needs reviewing in the context of the implementation of the Grant Management System and streamlining of application and monitoring processes to determine whether this approach continues to offer value for money. An alternative option could be to bring this activity in-house, which would also bring greater accountability and transparency in the allocation of grant funding.
 - The underlying principle of this approach is that any reduction in management or administration fees would not prevent funds going directly to local communities and groups.
- Conduct a detailed review of the current advice services funded by the council to identify any areas for consolidation and improvement
 - The council currently spends a total of £1.097m per year on advice services from the VCS, which represents around 10% of the overall funding given to the sector by and through the council.
 - The external review identified areas of potential duplication in delivery of advice services across the organisations in receipt of funding as well as by the council's own Welfare Rights Team. There is no doubt that the work of these organisations on the ground in local communities is valued, but there is a clear need to consider the best value principle in respect of the funding of advice services in the future.
 - A specific review into the advice services grant programme has commenced, and all the organisations in receipt of grant funding for this programme have been informed and are involved in the review.

4.6 Regular updates on the progress of addressing the findings of the external review will be made to the Cabinet Member for Finance and Resources. Any changes to grant programmes or funding arrangements as a result of the reviews discussed above will be subject to an Equality Impact Assessment to ensure that decisions take into account the wider impact on the organisations and the communities they support.

5. **Alternative Options Considered**

5.1 The external review of how the council funds the VCS in Sandwell was commissioned as part of the council's ongoing improvement journey and to

ensure that council resources are allocated in line with the Council Plan 2024-2027 and the Medium-Term Financial Strategy. The review engaged with a wide range of stakeholders from the local VCS, as well as council officers and elected members.

- 5.2 Cabinet is asked to note the findings of the review and the action taken by the council to date, therefore there are no alternative options to be considered for this matter. Should the council not seek to address the findings in the review, this would reduce the opportunity for improvement in the way we fund the VCS in Sandwell as well as negatively impacting the council's relationship with the local sector.
- 5.3 Cabinet is also asked to refer the refreshed Voluntary and Community Sector Funding Protocols to the Governance & Constitution Committee for consideration to include in the Council's Constitution. The alternative option here is that Cabinet decides not to refer the Funding Protocol to the Governance & Constitution Committee. In this case, the current Funding Protocols would remain in place – whilst these do not fully reflect the recommendations made by the external review, they do provide the framework from which to implement stronger governance arrangements for grant programmes to ensure spend is aligned to the Council Plan 2024-2027.

6. Consultation

- 6.1 As set out in paragraph 3.1.3 above, the external review captured over 130 responses from council officers, elected members and VCS organisations in Sandwell. This feedback was integral to the formulation of the recommendations that the council has adopted and are addressing.
- 6.2 The proposed refresh of the Voluntary and Community Sector Funding Protocols seek to strengthen the existing framework by aligning it with the current governance framework set out in the Constitution and clarifying the existing processes and procedures. Any formal consultation required would be conducted prior to the draft Protocols being submitted to the Governance & Constitution Committee.

11. Financial Implications

- 11.1 The recommendations made around streamlining processes and procedures will be managed within existing team resources. Where capacity is released through more efficient practices, this will be redirected to more value added activity such as supporting commissioners and VCS organisations in the design and administration of grant programmes as well as identifying additional external funding to apply for. Therefore, there are no direct financial implications of this activity.
- 11.2 Where reviews of grant programmes identify changes to funding allocations, this will be reported to the Corporate VCS Grants Board for oversight and onward reporting to Strategic Leadership Team. The VCS Grants Board has representation from Finance to ensure reduction or increase in grant funding for programmes is captured and aligned to the existing budgets. Senior Officers (Directors) retain responsibility for the allocation of funding in line with the budgets set by the Council.

12. Legal and Governance Implications

- 12.1 The Voluntary and Community Sector Funding Protocols form part of the Council's Constitution at Part 4 – Rules of Procedure. Any changes to the Constitution must be considered by the Governance & Constitution Committee before it can be adopted by Full Council.

13. Risks

- 13.1 The key risks associated with the activity set out in this report are as follows:
- 13.2 **Reputation** – should the council not implement improvements to the way it funds the VCS in Sandwell after the external review has sought out the views of the sector, then there will be a negative impact on the council's reputation. This could lead to a reduction in trust, and potentially VCS organisations not wishing to work with the council and support communities in need. Therefore, it is imperative that the council continues to learn from the review and seeks to implement improvements in governance, alignment of funding to priorities and transparency.
- 13.3 **Financial** – the review identified areas of potential reduction to current grant programmes where they are not delivering best value or where there is duplication of funding. Without implementing the recommendations of the review, the council would be at risk of allocating resources inefficiently and not achieving the financial targets set in the Medium-Term Financial Strategy and Budget.

14. Equality and Diversity Implications (including the public sector equality duty)

- 14.1 The actions set out in this report focus on strengthening governance and oversight arrangements of existing processes and procedures. Where reviews of current grant programmes result in a change of approach, an Equality Impact Assessment (EIA) will be conducted in each case to ensure that the full impact on the organisation and the community it supports is taken into consideration before a decision is made. The Corporate VCS Grants Board will ensure that EIAs are conducted before approval is given for grant programmes to proceed.

15. Other Relevant Implications

- 15.1 None.

13. Background Documents

- 13.1 *"Review of Sandwell Council's Funding of the Voluntary and Community Sector"* – Trueman Change, November 2024.

14. How does this deliver the objectives of the Strategic Themes?

- 14.1 The actions set out in this report will support the delivery of all of the Strategic Themes in the Council Plan 2024-2027, as the council funds grant programmes in all areas of the council's work. The improvement in governance and alignment of resources towards the Strategic Themes will contribute to achieving the One Council One Team priority through the

delivery of a sustainable financial strategy as well as embedding clear and transparent decision making.

To be completed if you do not need an Equality Impact Assessment.

Relevance Check

Budget Reduction/Service Area: Service Improvement/Voluntary Sector Grants

Service Lead: Kate Ashley

Date: 10/03/25

In what ways does this Budget reduction have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

N/A – no budget reduction is proposed in this report. The improvements to governance around alignment of grants to the Strategic Themes in the Council Plan and the allocation of funding will improve transparency and openness, which in turn will improve the council's reputation and trust with communities. Changes to application and monitoring processes will be through a managed process with support and guidance provided to commissioners and VCS organisations to ensure no one is disadvantaged by the changes.

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

N/A

Is a Customer Impact Assessment needed? No