



Mayor & Cabinet

Report title: Extension of the Main Grants Programme 2025-26

Date: 13th March 2024

Key decision: No.

Class: Part 1.

Ward(s) affected: All

Contributors:

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Outline and Recommendations

The purpose of this report is to request an extension of one year to the agreed three-year cycle of the Main Grants programme, which was last let in April 2022 for the period 2022-25. The extension would be for the period from 1st April 2025 – 31st March 2026.

The report will provide an overview of the programme and describe why the extension is required. The report will also outline the savings to be achieved through the removal of the Partnership grant programme, totalling £130,000

Mayor and Cabinet are asked to consider and agree:

- An extension of the current Main Grants Programme from 1st April 2025 - 31st March 2026, to the value of £2,329,308
- A reduction to the overall programme of £130,000 through the removal of the Partnership grants from 1st April 2025

Timeline of engagement and decision-making

Mayor & Cabinet approval of recommendations to the last MG programme 2022-25
– 2nd February 2022

MG programme delivery begins – 1st April 2022

Year 1 Impact Report completed – November 2023

Agreement on process and timeline for NCIL grants – 13th March 2024

Agreement on extension to the Main Grants programme – 13th March 2024

Communication with Main Grants funded organisations – April 2024

Communication with partnership funded organisations – April 2024

Next MG programme launch (if extension agreed) – September 2025

1. Summary

- 1.1 The Main Grants programme was last let in April 2022 for a period of three years – April 2022 – March 2025.
- 1.2 The review of the previous round alongside a review of the impact of Covid identified the following key priorities for funding in this round:
 - An economically sound future
 - A healthy and well future
 - A future we all have a part in
- 1.3 An Arts and Culture Fund was also proposed, closely aligned with the London Borough of Culture (LBoC) Programme. The two themes within this funding were Investing in Cultural Infrastructure and Investing in Diversity.
- 1.4 Additionally, small partnership grants of £10,000 were available to organisations who could demonstrate commitment to working in partnership with the Council.
- 1.5 An overarching monitoring and evaluation framework was developed with the support of *Shared Intelligence* and in consultation with funded organisations.
- 1.6 Data gathered using this framework in the first year of the Main Grants Programme shows that the sector has performed well despite significant challenges of the cost of living crisis and increasing demand.
- 1.7 Re-letting of the Main Grants Programme in accordance with the current timeframe would require launching the programme during a potential pre-election period, thereby increasing the risk of delay.
- 1.8 The proposed timeframe for the next round of Neighbourhood Community Infrastructure Levy (NCIL) funding show overlap between the timelines for NCIL

and Main Grants, specifically across the launch, assessment and ratification of recommendations (NCIL) stages; all three stages require significant resource.

- 1.9 In order to avoid the risks associated with delivering both programmes concurrently during a year with 3 potential elections, we propose to extend the Main Grants programme by 1 year and re-let the programme in April 2026
- 1.10 After careful consideration of savings required from the Main Grants programme, we are also proposing to remove the Partnership Grant Programme, totalling £130,000

2. Recommendations

- 2.1 Mayor and Cabinet are asked to consider and agree:
 - An extension of the current Main Grants Programme from 1st April 2025 - 31st March 2026, to the value of £2,329,308
 - A reduction to the overall programme of £130,000 through the removal of Partnership grants from 1st April 2025

3. Policy Context

3.1 This report aligns with Lewisham's Corporate Priorities, as set out in the Council's [Corporate Strategy \(2022-2026\)](#):

- Cleaner and Greener
- A Strong Local Economy
- Quality Housing
- Children and Young People
- Safer Communities
- Open Lewisham
- Health and Wellbeing

- 3.2 In particular, this report is closely aligned to our Open Lewisham and Health and Wellbeing priorities. The Main Grants programme recognises the invaluable work of our voluntary and community sector (VCS) and aims to create a strong and sustainable partnership with the sector through our long-standing grants programme.
- 3.3 One of our three key priorities for the MG programme is *A Healthy and Well Future* – we fund a significant number of services to support the health and wellbeing of our residents through this priority.

4. Background

- 4.1 Lewisham Council has funded the Voluntary and Community Sector (VCS) through a Main Grants programme for over 20 years, in 3-year funding cycles.
- 4.2 Due to the impact of COVID and wider financial pressures the Council had to

make significant cuts of at least £40m from its budget with up to £24m being cut in 2021/22 alone. In this context the budget for the Main Grants was to be reduced by £800,000 from 1st April 2022.

- 4.3 However, support for voluntary and community sector groups remains a core priority for Lewisham Council. Therefore, it was agreed that we would continue to invest £2,459,308 per annum in the sector, including NHS funding of £623,000 via the Better Care Fund (BCF)
- 4.4 In order to set the priorities for this spend the Council undertook a thorough review of all of the available evidence on the impact of COVID and the needs of the borough during the recovery phase. The review was followed by a consultation with the sector in early summer 2021.
- 4.5 The review resulted in three new proposed priorities namely:

An economically sound future

- Borough-wide Advice Services
- Digital Access for All

A healthy and well future

- Coordinated Social Prescribing
- Physical and Mental Wellbeing

A future we all have a part in

- BAME Infrastructure
- Volunteer Brokerage
- Community Directory
- Community Fundraisers

- 4.6 Additionally, small partnership grants of £10,000 were available to organisations who could demonstrate commitment to working in partnership with the Council. These funds could enable organisations to attract additional funding, and could support the core activities of organisations.
- 4.7 An Arts and Culture Fund was also developed, closely aligned with the London Borough of Culture (LBoC) Programme. The two themes within this funding were Investing in Cultural Infrastructure and Investing in Diversity.
- 4.8 Further to launch of the programme and assessment of bids, projects were recommended and agreed by Mayor & Cabinet on 2nd February 2022 (Mayor and Cabinet Report attached, Appendix 1, List of funded Projects Appendix 2). The breakdown of grants were:
- 51 grants awarded in total
 - 3 x Projects under An Economically Sound future inc. Advice front door
 - 17 x projects under A Healthy and Well Future inc. Social Prescribing front door

- 7 x projects under A Future We All Have a Part including 4 x community fundraisers
 - Equalities
 - Cold Spots
 - Arts
 - Sports
- 13 x partnership grants
- 11x projects funded through the Arts and Culture Fund

5. Monitoring and Evaluation Framework

- 5.1 Regular monitoring of each grant funded organisation has been a normal part of the grant -making process throughout the history of the Main Grants programme. However, there was a recognition that an overall assessment of the impact of the programme was missing.
- 5.2 An overarching monitoring and evaluation framework would allow us:
- To identify how the various funded interventions deliver on longer term programme outcomes – Theory of Change
 - To share this with the sector so they are incentivised to work together as a sector
 - To provide data that can stimulate conversations about needs, trends and gaps
 - To enable us to review what worked well and what didn't and support the criteria for the next grants programme
 - To promote the work of the funded sector
- 5.3 However, there was also a recognition that any framework needs to be fit for purpose for a sector that is diverse in the communities that it serves, but also in its own size and scale. Some of the funded VCS organisations are very small with limited capacity - they need to see the information they provide as fitting into a value adding process, not adding burden.
- 5.4 In order to undertake the development of a monitoring framework, we commissioned a specialist organisation, *Shared Intelligence*, to develop a framework based on the range of services who receive funding through the programme.
- 5.5 Shared Intelligence initially worked with the Council and health partners to identify the key short, medium and long-term outcomes we want from the main grants programme, taking into account the different themes and sub-themes in the programme.

- 5.6 Based on this, they developed an overarching Theory of Change (ToC), capturing draft outputs, outcomes and impact against the key themes and sub-themes in one overarching Theory of Change framework.
- 5.7 Three workshops were held with the funded VCS to share the initial ToC, get feedback, refine the model and re-present the model for endorsement by the sector.
- 5.8 The views of the sector were key to developing monitoring templates that aimed to collect consistent data across the funded organisations, whilst being proportionate to the size and scale of organisations funded.

6. Year One Impact Report

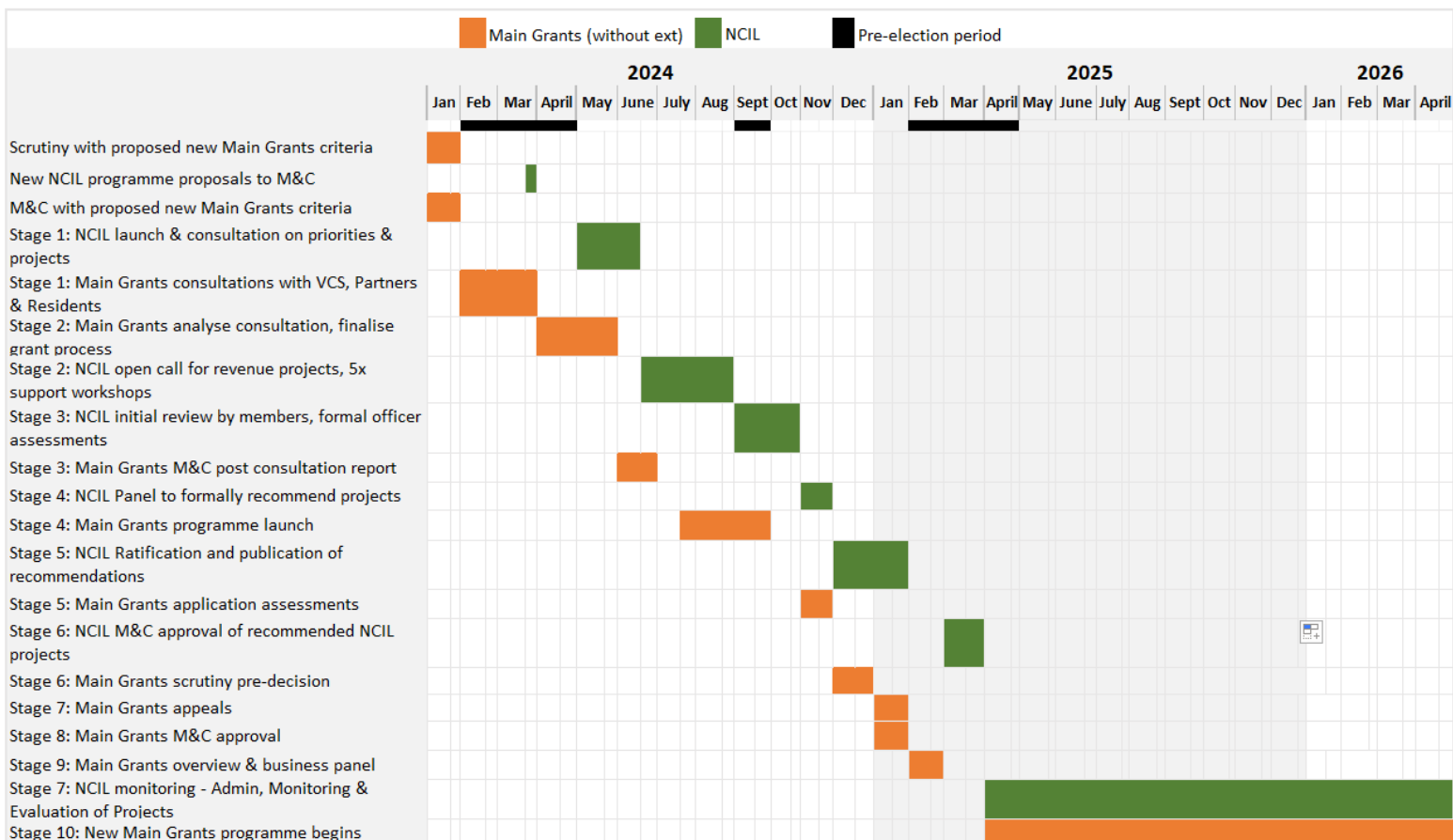
- 6.1 Data collected throughout the first year of the grant programme (April 2022 – March 2023) using the new monitoring templates was analysed throughout the summer of 2023, and a Year 1 Impact Report produced, which was taken to Cabinet Briefing in November 2023.
- 6.2 The Impact Report (attached, Appendix 3), highlighted a number of achievements by funded organisations
 - MG funded organisations are delivering against targets despite the significant impact of the cost of living crisis and increasing demand
 - Significant added value has been brought in by the sector in external funding - approx. £8.5m additional funding was brought in by our MG funded organisations in Year 1
 - 1,073 volunteers contributed over 88,000 hours of volunteer time to support the work of our organisations
 - Citizens Advice Lewisham supported approx. 20,000 individuals and generated £13.5m income for clients
 - The community fundraisers supported 942 organisations and individuals, raised £503k in approx. 6 months working primarily with small organisations, and are enabling collaboration and partnership working between the sector
 - The sector is working with the Council in a variety of ways to address the big problems like the cost of living crisis, loneliness and isolation, and community transport
- 6.3 In summary, the Main Grants Programme is performing well against targets despite a challenging context and continues to deliver good value both in supporting our most vulnerable residents and in working in partnership with the Council and health partners.

7. Extension to the Main Grants Programme

- 7.1 In order to re-let the next round of Main Grants (April 2025), we would need to

begin the process of consultation on new criteria by end of February 2024 leading to a launch date in September 2024, which is likely to fall in the General Election pre-election period.

- 7.2 The current proposals for re-letting NCIL show overlap between the timelines for NCIL and MG, specifically across the launch, assessment and ratification of recommendations (NCIL) stages; all three stages require significant resource – the graph below illustrates the timelines of Main Grants and NCIL as they are currently planned.



- 7.3 Due to delays caused by Covid and pressures of election timescales, the letting of the last round of NCIL also similarly overlapped with the Main Grants programme

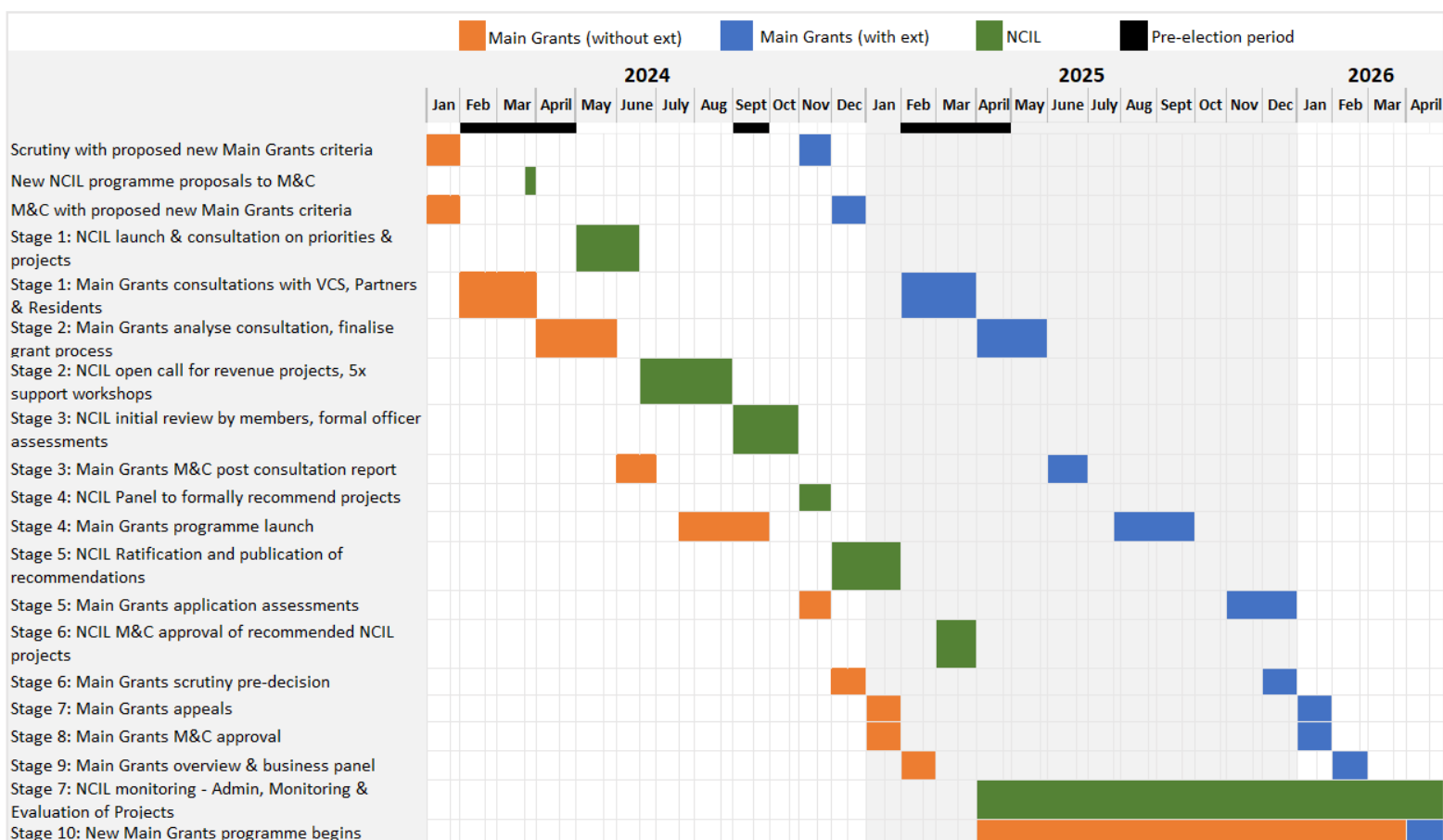
- 7.4 The learning from NCIL identified this as a key weakness in the process, resulting in pressures on all parts of the system (Members, officers, partners engaged in assessments, and ratification and communication with residents via Assemblies)

- 7.5 The number of elections in 2024 with the attendant level of uncertainty and potential pre-election periods will increase the risk of delivery of the grant programmes particularly if both are delivered concurrently

- 7.6 In order to avoid this, we propose to extend the Main Grants programme by one

year and re-let the programme in April 2026

- 7.7 Additionally, letting the programmes in consecutive years enables a better-paced grant programme and the ability for us as funders to ensure a more equitable spread of funded projects across the borough
- 7.8 NHS partners have been notified of the possibility of the extension of the programme with approval granted from the Integrated Care Board for Better Care Funds to be extended for a further year at the same value
- 7.9 Where circumstances and/or the operational context have changed (for example where Arts and Culture grants are linked specifically to LBoC rather than the 5-year cultural strategy), we will seek to work with our funded CVS to reprioritise activities and services.
- 7.10 The extension will be subject to the ongoing monitoring and assessment of performance against targets, in keeping with grant conditions for the Main Grants programme
- 7.11 The graph below illustrates the two grant programmes with and without the extension period.



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8. Proposed removal of the Partnership Grants

- 8.1 As part of the savings targets across directorates, the Main Grants Programme, along with a number of other programmes, was expected to offer up a saving prior to re-letting in 2025.
- 8.2 While a reduction in the funding to the programme will have impact on the VCS and to those residents that organisations support, we have carefully considered which elements of the grant programme are critical to preserve and where mitigations can be built in for organisations who may be affected by the removal of grant funding.
- 8.3 It is proposed that the Partnership grant element of the programme, totalling £130,000 is removed from the programme in April 2025.
- 8.4 Partnership grants of £10,000 were introduced as part of the new round of the Main Grants Programme (2022-25). We recognised that with a cut of £800,000 in 2021, it would not be possible to fund the many worthwhile projects in the borough but wanted to encourage more partnership working with a more diverse set of VCS partners. The partnership grants developed as a way to fund our smaller, emerging organisations with a focus on equalities, or those working at hyper-local level.
- 8.5 Small partnership grants of £10,000 were available to organisations who could demonstrate commitment to working in partnership with the Council. These funds could enable organisations to attract additional funding, and could support the core activities of organisations. Organisations applying for the partnership funds were asked to commit to:
- Add value in specific areas of the borough or in specific sectors where need is high and infrastructure is needed to meet demand.
 - Support consultation with residents
 - Coordinate local networks
 - Work with the council to develop local engagement
 - Act as a critical friend working in constructive dialogue with the council
 - Link into appropriate networks for their own service delivery
 - Work in partnership with other Council grant recipients and commissioned services, Borough of Culture etc.
 - Support the Council in disseminating information to the community
- 8.6 The Council would agree proportionate and reasonable outcomes with successful applicants once grants are awarded. As with Main Grants, funding would be available for three years starting from April 2022.

9. Impact of the Cuts

- 9.1 The Impact Report for Year 1 shows that these relatively low-value grants have had significant impact in that organisations have brought in additional income and reached residents who would otherwise not have had a service. The

thirteen organisations funded through this programme fall into broadly three categories:

- Equalities based organisations (for e.g. Buddies for All providing support and befriending to people with disabilities, and Coco Collective – support our African and Caribbean communities through gardening & food-growing initiatives)
- Local community based organisations (e.g. Goldsmiths Community Centre and the Grove Centre)
- Local Sports organisations (AFC CIC providing football for girls and Saxon Crown providing swimming for children and young people)

9.2 Nine of the thirteen organisations funded are small organisations and six were new to the Main Grants programme.

9.3 Impacts of removing the programme therefore are:

- Less investment in smaller organisations without a significant track record of previous funding or delivery
- Less investment in equalities-based interventions, particularly new approaches
- Less investment for sports organisations – this is already a sector that is resource-poor. In terms of the increasing population of children and young people in the borough from diverse backgrounds, high rates of obesity amongst children and the need for more physical activity, this will have a significant impact.

10. Proposed Mitigations

10.1 The proposed launch of the next round of NCIL will end in awarding of grants in April 2025; this is also the starting point for savings from the Partnership grants. As in the previous round, where we successfully diverted a large number of applicants delivering at local level to NCIL, in anticipation of managing demand post the £800k cut to the MG budget, we will work with existing partnership funded projects to look to the next round of NCIL. We will also work to ensure that NCIL priorities pick up these gaps in provision across priorities and themes.

10.2 We currently support Lewisham Funders Network through the Lewisham Local Collaborative, which aims to work with all funders operating in Lewisham; the aim of the network is to pool resource and address needs at a strategic level. We will work with the network to address how we might mitigate the impact for smaller organisations and on equalities.

10.3 We will also prioritise our key sports organisations through our community fundraiser scheme, so they are able to work with them over the course of the year to draw in other sources of funding. Community Fundraisers have already proved their value by raising income of £503,000 in six months over the first

year, supporting a range of small organisations who may have otherwise struggled to access funding.

11. Financial implications

- 11.1 The recommendation proposed in paragraph 2 will be fully funded from the Council's General Fund grants programme budget within the Communities Partnerships & Leisure Division. The £130k reduction in the overall programme through the removal of Partnership grants from 1st April 2025 will enable the funding to be realigned as part of the 2025/26 budget setting process.

12. Legal implications

- 12.1 The Council has a wide general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do including making grant funding available. It is recommended that when awarding grant funding a fair and transparent process is carried out to identify grant recipients to avoid a potential judicial review.
- 12.2 As with all grants and similar financial arrangements, the Council is under an obligation to consider whether there are any subsidy issues to be considered under the Subsidy Control Act 2022, and if there are whether any steps need to be taken. The first consideration will be whether the grant funding given to each organisation is a subsidy within the meaning of s2(1) of the Act. A four Limbed test is applied, of which each limb must be satisfied for the grant to be considered a subsidy/scheme and for the regime to apply. The four limbs are: i) Limb A – Financial assistance is given, directly or indirectly from public resources by a public authority. ii) Limb B – The financial assistance confers an economic advantage on one or more enterprises. iii) Limb C – The financial assistance is specific such that it benefits one or more enterprises over one or more enterprises with respect to the production of good or provision of services. iv) Limb D – The financial assistance has or is capable of influencing competition or investment within the UK, or on trade or investment between the UK and another country or territory or both.
- 12.3 Limb B is unlikely to be satisfied where funding is given to charities or entities within the voluntary sector. Even if Limb B was satisfied, the grant funding is limited in its nature and geographical influence in that its recipients are based within the local community of Lewisham in the voluntary sector. The current programme therefore is not capable of influencing competition or investment within the UK due to its limited reach (Limb D). The four limbed test is therefore not satisfied, and the current programme does not fall within the definition of a subsidy.

13. Equalities implications

- 13.1 While the extension of the overall programme will have a positive impact overall in maintaining support to the VCS, many of whom are delivering services to

vulnerable residents and communities with protected characteristics, the proposal to remove the Partnership Grant Programme will have an impact on equalities. Five of the thirteen currently funded partnership organisations are focused on communities with protected characteristics.

- 13.2 While the reduction in grant funding is not being imposed during the lifetime of the original three-year grant programme, and the Partnership Grant programme would have been unlikely by its nature to continue to fund the same organisations, the lack of such a programme will impact on the availability of funding for smaller and equalities-focused organisations.
- 13.3 In designing the NCIL priorities, we have considered the above and propose to make available a borough-wide pot of funding prioritising equalities; as highlighted in the report, we will encourage organisations affected by the cuts to apply for NCIL funding. The Council is also considering its own approach to equalities including supporting the recommendations of the *If Not Now, When?* report.
- 13.4 Additionally, we will ensure that smaller organisations particularly are linked with our community fundraisers for ongoing support.

14. Climate change and environmental implications

- 14.1 London Borough of Culture provided the opportunity for the arts and culture sector to take a lead in addressing the climate emergency, highlighting the issues in an engaging way and bringing residents together to develop a solutions based approach. A greener future is one of the strategic themes of the programme of funding for art and culture, thereby resourcing this continued role over the remaining years of the programme.
- 14.2 London Borough of Culture also highlighted the role of art and culture in partnering with the Council to address strategic objectives. During this time important relationships developed between voluntary organisations and the Council's Climate Emergency Team which will continue to bear fruit both through the newly developed cultural partnership and as a result of the funding programme.

15. Crime and disorder implications

- 15.1 A number of the funded projects, particularly those funded through the Arts and Culture Fund such as Second Wave, will be undertaking activities that will support the reduction of crime and disorder.

16. Health and wellbeing implications

- 16.1 Many of the projects in the Main Grants programme address the health and well-being of Lewisham residents and one of the criteria is specifically to improve residents physical and mental health and well being. Additionally, the the programme funds social prescribing and voluntary sector services as a

specific coordinated approach to supporting physical and mental health and wellbeing.

17. Glossary

Main Grants programme	A funding programme operated by Lewisham Council, providing support to a range of voluntary and community organisations working with vulnerable residents and contributing to the borough's key priorities
Voluntary and Community Sector	Independent not-for-profit organisations, often registered with the Charity Commission, working towards social objectives

18. Report author(s) and contact

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19. Appendices

19.1 Main Grants Mayor & Cabinet Report 2nd February 2022

19.2 List of Funded Projects 2022-25

19.3 Main Grants 2022-25 Year 1 Impact Report