

Culture and Communities Committee

10:00am, Tuesday, 29 January 2019

Community Grants Third Sector Interface Funding

Item number	8.10
Report number	
Executive/routine	Executive
Wards	All
Council Commitments	2, 47

Executive Summary

This report sets out the City of Edinburgh Council's proposed 2019/20 contribution to funding of Edinburgh's Third Sector Interface (TSI) and Equalities and Rights Network, including work that would be undertaken to support partners to manage the impact of reductions and agree the outcomes that will be delivered within that context. The report further proposes the Council pursues a partnership approach to future investment in Edinburgh's TSI, and describes further work that will be carried out to inform approaches to wider third sector support over the medium to longer-term.

Community Grants Third Sector Interface Funding

1. Recommendations

- 1.1 Agree to the financial proposals set out at paragraphs 3.10 and 3.17.
- 1.2 Agree officers work with the third sector partners to manage any immediate impact of this and agree the outcomes to be delivered over the next 12-24 months.
- 1.3 Endorse the Council pursuing a shared approach to future investment in Third Sector Interface infrastructure with our statutory community planning partners as part of the Edinburgh Partnership review.
- 1.4 Note the intent to carry out further work to inform partnership approaches to third sector support beyond 2020/21, as described at paragraph 3.14.

2. Background

- 2.1 This report focuses on City of Edinburgh Council's partnership contribution to resourcing the Third Sector Interface (TSI) in Edinburgh, drawn from the Chief Executive Division's budget. Edinburgh's TSI is delivered by three organisations working in partnership – Edinburgh Voluntary Organisations Council (EVOC), Volunteer Edinburgh (VE) and Edinburgh Social Enterprise Network (ESEN).
- 2.2 The role of the TSI is to deliver volunteering, social enterprise and third sector development, and to build relationships with community planning partnerships – in particular by supporting community planning partners' engagement with the third sector, supporting third sector representatives' participation in community planning structures and wider strategic partnerships, including a variety of geographically-based voluntary sector forums. The TSI is represented on the Edinburgh Partnership Board by EVOC which supports the sector's contribution to Local Improvement Plans and the development of Edinburgh Partnership's Local Outcome Improvement Plan.
- 2.3 The role of the TSI is essential to supporting partnership work and collaborative co-design and development of policy and services with the third sector across the city, acting as an equal partner alongside statutory bodies.
- 2.4 This report proposes CEC continues to offer financial support to the TSI moving forwards, however, the committee is asked to agree a proposed re-profiling of £13,000 of the TSI monies to ensure that all three TSI delivery organisations continue to receive funding.

- 2.5 Committee members are also asked to endorse the fact that as part of the ongoing review of the Edinburgh Partnership the Council will be looking to our statutory partners to also contribute to the resourcing of Edinburgh's TSI. This reflects the fact that the TSI's have a clear focus on supporting third sector engagement in community planning and the recent community planning legislation places an enhanced duty on statutory partners to participate in community planning, including by contributing appropriate resources to priorities.

3. Main report

2018/19

- 3.1 For background, the committee is asked to note that while EVOC and VE receive funding from a number of parts of the council, the Chief Executive's office provides core funding for the TSI in conjunction with the Scottish Government. In the past, the Council also provided additional funding through the Social Justice Fund (SJF). This funding was time-limited and came to an end in 2017/18, meaning there was a reduction of 25% to the Council's overall TSI contribution from April 2018.
- 3.2 Recognising that this would present challenges in making the required changes to delivery, the Committee endorsed a decision to provide a one-off payment under emergency provisions, to cover the first six months of 2018/19. Thereafter officers advocated on behalf of the TSI to promote its role in supporting community planning, resulting in Edinburgh Partnership agreeing to provide further transitional funds for the remainder of 2018/19.
- 3.3 The interim 2018/19 CEC funding arrangements described above were designed to provide a period of stability until the review of the Edinburgh Partnership was concluded, and the financial contribution of community planning partners to Edinburgh's TSI could be determined.
- 3.4 The next stages of the Edinburgh Partnership review will consider the financial requirement on all statutory partners to resource partnership work, including the interface with the third sector; however this is not yet complete and so the potential future financial contribution of Edinburgh Partnership statutory partners is yet to be agreed. Officers will continue to work with the TSI delivery organisations to articulate and promote the role of the TSI within Edinburgh's community planning infrastructure, including by working with Edinburgh Partnership to ensure this is given robust consideration within the next stages of the EP review. Should the totality of funding in 2019/20 reduce from 2018/19 levels, this will have an impact on the provider organisations. Council officers will work with these organisations to mitigate this outcome as far as possible and to manage any implications as appropriate.
- 3.5 Going forwards, there is a requirement to agree City of Edinburgh Council's financial contribution to the partnership funding of a TSI for Edinburgh alongside our other statutory partners, and then to agree with partners the outcomes to be delivered in respect of our collective investment.

City of Edinburgh Council's partnership contribution

3.6 The Edinburgh TSI is jointly funded by the Scottish Government and CEC. In 2015, the Council's Communities Neighbourhoods Committee committed in principle to 5 years of TSI funding for EVOC and Volunteer Edinburgh covering the period up to 2020/21; however the quantum of funding to be awarded to would be subject to annual political consideration in line with Council budget processes. ESEN has been supported by one-off payments and is not currently part of the 5 year framework.

3.7 To ensure that Elected Members have the full picture, the breakdown of funding over the last two years is described below. In 2017/18 and 2018/19 the Council's Chief Executive's Division provided £134,407 each year for core TSI funding, awarded as follows:

- Volunteer Edinburgh - £75,907
- EVOC - £58,500

In addition, ESEN received £13,000 each year over the same period; however there has been no ongoing budget for this and in 2018/19 the £13,000 was awarded through flexibilities in the Chief Executive Division's budget.

3.8 The Scottish Government also historically provides core TSI funding. In 2018/19 this totalled £326,000, awarded as a central shared pot of £26,000, with the remaining £300,000 allocated to the three provider organisations as follows:

- Volunteer Edinburgh - £126,000
- EVOC - £109,000
- ESEN - £65,000

3.9 It is our understanding that the Scottish Government's intent at present is for TSI funding to continue in 2019/20, at the previous years' level, subject to Scottish Government budget processes.

3.10 Against this backdrop, the Council has historically been the main local funder of the Third Sector Interface in Edinburgh, with the exception of last year when the Edinburgh Partnership contributed 5% (with 60% coming from Scottish Government and the remaining 35% from the Council).

3.11 Going forwards, it is proposed that core TSI funding is protected in 2019/20 at the same level as in previous years. However, there is no flexibility within the 2019/20 budget to support another one-off allocation of £13,000 to ESEN. In order to ensure that all three TSI delivery organisations benefit from Council TSI resource, it is proposed the core TSI funding of £134,407 is protected in 2019/20 and re-profiled across the three delivery organisations, with the exact distribution to be agreed in partnership with them.

3.12 Should members agree to the funding arrangements proposed in this report, City of Edinburgh Council will still be making a significant contribution to the TSI – equivalent to just under a third of known TSI funding for 2019/20, with the

remainder coming from the Scottish Government. The expected outcomes for this funding will be tied closely to the review of the Edinburgh Partnership and will connect to the ongoing work in the Scottish Government to review the TSI performance outcome framework.

- 3.13 A report will be brought back to the Committee within 6 months, assuming completion of the relevant community planning processes around future financing of third sector infrastructures and partnership working. This will set out the outcomes to be delivered over the remaining 2 years of the 5 year TSI agreement, and will also consider funding requirements for the final year of the agreement - 2020/21.
- 3.14 Council officers have engaged with the TSI delivery organisations throughout this process, including to discuss the potential impact of reductions in funding, and will continue to offer support to the TSI, including:
- 3.14.1 help to identify any wider funding opportunities available;
 - 3.14.2 data and other assistance to maximise leverage of distribution-based funding streams, which are sometimes used within national funding schemes;
 - 3.14.3 support to consider options to use premises more flexibly;
 - 3.14.4 support to re-profile provision, drawing on the Council's experience of reductions in the resources available to local government; and
 - 3.14.5 support to articulate and promote the role of the TSI within Edinburgh's community planning infrastructure.

Future development

- 3.15 This report focuses on City of Edinburgh Council's partnership contribution to resourcing the Third Sector Interface in Edinburgh, drawn from the Chief Executive Division's budget, and aligned to a 5 year in principle agreement covering the period covering 2016/17 to 2020/21. The Council also funds the three TSI delivery organisations, and wider third sector organisations, from other Council budgets to deliver wider programmes and services. Arrangements for support beyond 2020/21 will require further and separate consideration, including discussion with community planning partners (including the TSI) to define our collective vision for the third and community sector in Edinburgh beyond 2020/21. It is therefore proposed that further work is carried out over the coming year, with a view to developing an agreed direction of travel.

Related community grants

- 3.16 The Committee is also invited to consider the related matter of the Council's contribution to the Equality and Rights Network (EaRN). In common with the TSI, EaRN has historically been funded through the Council's community grants and is delivered by Volunteer Edinburgh – one of the three TSI providers. We have therefore included this item to allow for a more expedient consideration of these items.

- 3.17 EaRN works to enable any group, forum, organisation or individual to work in partnership with public services to advance equality, promote human rights and tackle poverty and inequality. Discussions are underway with VE and wider statutory partners to focus priorities for EaRN over the coming year, including by fostering closer working with health partners with a view to developing a more integrated and outcomes-focused approaches.
- 3.18 As part of this process, NHS Lothian have agreed to contribute £5,000 towards the EaRN in 2019/20. Committee members are therefore invited to agree to reduce Council funding by £5,000 - from £45,000 in 2018/19, to £40,000 in 2019/20. Members will wish to note this reduction will have no impact on EaRN, due to replacement funding having been secured.

4. Measures of success

- 4.1 A co-produced partnership funding framework for a TSI in Edinburgh with clear outcomes and delivery arrangements.
- 4.2 A comprehensive and jointly-owned review of support to the third sector in Edinburgh over the longer-term, with clear recommendations that support sustainable investment and the co-production of outcomes for communities.

5. Financial impact

- 5.1 Officer discussions with the three TSI provider organisations have focused on the cumulative impact of the proposed re-profiling of core TSI funds, coupled with risks arising from the cessation of SJF monies, and with the potential Edinburgh Partnership's contribution being as yet unknown. EVOC, VE and ESEN have highlighted risks ranging from having to reduce Chief Officers' hours and the hours services are open to the public, through to having to withdraw from all community planning meetings.
- 5.2 Should these risks materialise, officers would work with the TSI and wider partners to agree a reasonable reduction in service, commensurate with the totality of funding available, and seeking to reduce the impact on outcomes for citizens. Officers have also offered support to help identify any wider funding opportunities available, to provide data and other assistance to maximise leverage of distribution-based funding streams and Scottish Government allocations where possible. Support has also been offered to consider options to use premises more flexibly, re-profile service provision, and promote the role of the TSI within Edinburgh's community planning infrastructure.

6. Risk, policy, compliance and governance impact

- 6.1 Any risks arising from reductions in funding would be managed through the agreement of the outcomes to be delivered with the funding available, and through the officer support outlined in this report.

7. Equalities impact

- 7.1 Ongoing investment in the Equalities and Rights Network (EaRN) will bring a positive contribution to the Council's equalities activities. Officer support to both Edinburgh Partnership and the TSI, functions to support the consideration of equalities across relevant decision-making.

8. Sustainability impact

- 8.1 This report has been assessed in respect of the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties and there are no impacts to note.

9. Consultation and engagement

- 9.1 Dialogue with the key voluntary sector organisations is ongoing.

10. Background reading/external references

- 10.1 [June 2018 Culture and Communities report.](#)

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11. Appendices

None.