

## Appendix 4

### POLICY FOR FUNDING VOLUNTARY AND COMMUNITY SECTOR ORGANISATIONS USING THE SHOPPING, INVESTING AND GIVING FRAMEWORK

#### **1. Introduction**

- 1.1 Redditch Borough Council supports Voluntary and Community sector organisations because we believe that a vibrant Third Sector is vital to our community. The Council is committed to supporting organisations that deliver projects and activities which have a beneficial impact on the local community.
- 1.2 Under Section 137 of the Local Government Act 1972, the Council has the power to incur expenditure which in its opinion is in the interest of and will bring direct benefit to its area or any part of it or all or some of its inhabitants. The direct benefit accruing must also be commensurate with the expenditure to be incurred.
- 1.3 There is further power to make grants to voluntary organisations providing recreational facilities under Section 19 of the Local Government (Miscellaneous Provisions) Act 1976.

#### **2. Scope**

- 2.1 This policy applies to all arrangements where Redditch Borough Council provides assistance to voluntary and community sector organisations.
- 2.2 This policy applies primarily to direct financial payments from Redditch Borough Council to voluntary and community sector organisations such as grants and contracts, but also applies to support in kind such as discretionary rate relief or concessionary use of Redditch Borough Council facilities.

#### **3. Funding Framework**

- 3.1 The Council uses the ***Shopping, Investing and Giving*** funding framework

- 3.2 **Shopping** refers to procurement and contractual arrangements with external providers to deliver services on behalf of the Council that the Council has a statutory duty to provide or priority areas the Council wishes to invest in. The Council is committed to extending the opportunities available to voluntary and community sector organisations to be involved in the delivery of services.
- 3.3 **Investing** refers to the Council providing funding to develop the capacity of the voluntary and community sector. This may include making funding and resource contributions to voluntary and community sector infrastructure support services, or making funding or other resources available for training or business development activities within organisations.
- 3.4 **Giving** refers to the Council providing funding or other resources to voluntary and community sector organisations to support work that contributes to the Council's aims, but which the Council does not have a statutory duty to provide.
- 3.5 The Executive Committee will consider and make a decision on which services and funding mechanisms the Council will seek to provide under the Shopping element of this framework subject to agreement by full Council e.g. Advice Services, Waste Management/recycling services.

#### **4. Purposes of the Shopping, Investing and Giving Framework**

- 4.1 The following outcomes are intended to be the result of this framework:
- a) A corporate overview of the total support provided for the voluntary and community sector;
  - b) Consistency, clarity and equality in the processes to determine what support is given to which organisations;
  - c) A voluntary and community sector that understands how to engage with the Council, and is confident of fair and open treatment;
  - d) Council resources targeted to support those groups providing services which support current Council priorities.
- 4.2 This framework is to be integrated into all policies and procedures that are relevant to Council relationships with the voluntary and community sector.

#### **5. Which Organisations are covered by the Shopping, Investing and Giving Framework?**

- 5.1 The voluntary and community sector is diverse, with organisations ranging from small community associations to large national or international organisations.

This framework applies to all organisations that exist principally to further social, cultural or environmental objectives and do not generate money that is distributed for the private benefit of the people who run the organisation or their associates.

- 5.3 To qualify for any support under the Shopping, Investing and Giving framework, an organisation must:
- a) not be run for personal gain, and must use all profits or income of the organisation for the public good;
  - b) work for the benefit of a community of interest or a geographical community;
  - c) have no undue restrictions on membership;
  - d) promote equality of opportunity;
  - e) operate independently, defining its own aims and objectives;
  - f) be formally constituted and have a management committee who do not receive payment for managing the organisation;
  - g) not be a political party, have the nature of a political party, or be engaged in campaigning for a political purpose or cause.
- 5.4 The Council will not provide funds for the furtherance or propagation of a faith promoted by any organisation which is, or is deemed by the Council to be, of a religious nature. This will not preclude religious organisations applying for assistance to provide social or welfare work connected with their organisation and which do not directly promote a religious aspect.
- 5.5 Individual support opportunities may include additional restrictions on the nature of the organisations that can benefit. These will be clearly and openly stated, with appropriate justification.

## **6. Worcestershire Compact**

- 6.1 Redditch Borough Council is a signatory of the Worcestershire Compact, and is committed to embedding the terms of the Compact and its Codes of Practice within the Council's policies and procedures.
- 6.2 Review and development of this policy will be undertaken to ensure compliance with Worcestershire Compact and to support development of the Compact.