

Proposal - Community Resilience Fund

24 June 2014

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Proposal to the Essex District and City Councils of, Basildon, Braintree, Brentwood, Castle Point, Chelmsford, Colchester, Epping Forest, Harlow, Maldon, Rochford, Tendring and Uttlesford, and the Unitary Authorities of Southend-on-Sea and Thurrock to provide donations to the Community Resilience Fund.

1 Introduction

- 1.1 The Community Resilience Fund (CRF) was presented and discussed at the Chief Executive's meeting on 13 March 2014 and the Leaders and Chief Executive's Meeting on 3 April 2014.
- 1.2 In subsequent discussions with Nicola Beach, Chief Executive of Braintree Council, Ian Davidson, Chief Executive of Tendring Council, John Mitchell, Chief Executive of Uttlesford Council and Rob Tinlin, Chief Executive of Southend-on-Sea Council, it was recommended that a proposal be presented to all 14 City, District and Unitary Authorities as an appropriate way forward in the promotion of the Community Resilience Fund.
- 1.3 This proposal is submitted with the endorsement in principle of the Braintree, Southend-on-Sea, Tendring and Uttlesford Councils.

2 Context

- 2.1 In discussing the CRF in March and April, the Council Leaders and Chief Executives raised the importance of helping support stronger, more cohesive communities, which will help lead to improved health and well-being, and contribute to a decrease on the demand on public services. In this, local government is increasingly looking to the voluntary and community sector as a strategic partner in making Essex a wonderful place to live and work. This represents an important part of the current Public Sector Reforms taking place.

- 2.2 Prevention and early intervention are recognised as instrumental steps in addressing health, social or public safety issues before they become so significant that they require direct input by public agencies.
- 2.3 At the same time, all public agencies are looking at innovative ways in which to work in a climate of reducing resources; a challenging financial environment that will continue for some time. In times of decreasing resources, a focus on acute need and statutory duty is naturally emphasised, thus resulting in a call for more collaboration with the voluntary and community sector on prevention and early intervention programmes.
- 2.4 The CRF was established to provide a sustainable income stream to the VCS precisely to support this type of work over the long term. The objective of the CRF is to support the VCS to develop the ability of communities, families and individuals to help themselves and each other. In this way, people in communities will increasingly turn to each other for the initial support or a helping hand that they need.

3 The Essex Endowment Story

- 3.1 The CRF is different from other grantmaking programmes because it is based on building a substantial endowment fund over time. This will provide a sustainable level of grantmaking for the county that in principle will remain in perpetuity.
- 3.2 This is a marked difference from the local grantmaking programmes currently in operation in the Districts which allocate grant funding on an annual basis, which then require further annual allocations in subsequent years. By building an endowment fund over the short-term, a level of grantmaking will be provided each and every year, without any further need for annual allocations. This sustainable revenue stream benefits the Districts and Unitaries, the local voluntary and community sector, and critically, the residents of Essex.
- 3.3 Donations made to the CRF are invested in an established investment portfolio which is managed to provide long-term growth. Each year, an approved amount is released for grantmaking, normally around 5% of the fund value. The donations are pooled with other endowed funds managed by ECF, thus providing the benefits of a much larger fund than would be the case for the CRF by itself. Since its inception in 1996, ECF has received donations of over £29 million in endowed funds, and has awarded over £21 million in 5,500 total grants.

- 3.4 A current example of a county-based endowed fund is the Thriving Third Sector Fund, which was established in 2009 with a £2 million donation from the Local Area Agreement (LAA) Performance Reward Grant. Essex was the only county in the country that grasped this opportunity and invested the LAA funds in this way. In its first four years of activity, the fund has distributed £388,590 in grants and its fund value was £2.5 million as at June 2013 (most recent audit). This shows the £2 million donation has already delivered a benefit to Essex of over £888,590 – £388,590 in grants distributed and £500,000 in increased fund value.
- 3.5 What is more important is the difference that grants can make to the voluntary and community sector and to people's lives.
- 3.6 There are many examples of how a modest grant can make a huge difference to the ability of local residents to support each other rather than automatically turning to local government for help and assistance. Four examples, of the over 250 grants ECF awarded last year, from across the county are presented below. Each and every Council benefits from ECF's grantmaking, and the CRF would help make this a permanent reality.
- 3.6.1 Wyvern Community Transport received a grant of £1,000 to support elderly residents in Castle Point remain active and healthy in their local community through the efforts of volunteer drivers who carried out 22,574 passenger journeys last year.
- 3.6.2 Brentwood Community Print received a grant of £9,700 to establish a peer mentoring scheme to help people in recovery from mental illness build their confidence and learn work skills, so they can compete on the job market.
- 3.6.3 Breathe Easy Southend received a grant of £1,000 to provide a support network for people with lung conditions and their families, which can often be a frightening and isolating experience.
- 3.6.4 Thurrock Open Door received a grant of £2,302 to run developmental workshops and provide activities for looked after children and young people.
- 3.7 Local Government in Essex, Southend and Thurrock are, of course, aware of the importance of grantmaking to the voluntary and community sector through their own support and relations with the sector. The strategic opportunity and benefit the CRF provides is through county-wide collaboration by all public agencies, to help make this valuable grantmaking programme last for generations to come.
- 3.8 It is also quite clear that the larger the CRF becomes, the greater the benefits and the value the grantmaking will deliver.

4 The Proposal

- 4.1 Each of the 14 City, District and Unitary Authorities donates £20,000 to the CRF, thus providing a combined donation of £280,000. This would be an annual contribution over the next five years.
- 4.2 ECC, the PCC of Essex and Essex County Fire & Rescue have already donated £1m, £150,000 and £50,000 respectively, and all have indicated that with the continued support of other members of the public sector partnership, they would consider further contributions.
- 4.3 A similar proposal is being submitted to the seven CCGs in Essex, Southend and Thurrock.
- 4.4 With approval of this proposal, the fund would receive donations in its first year totalling £1,480,000. If the seven CCGs were to donate a similar amount, this would increase by £140,000 to £1,620,000. Assuming a 5% grant distribution rate, this would result in grantmaking of £81,000 in its first annual cycle.
- 4.5 If all partners in the CRF were to continue to provide the same level of donation over a five year period, the fund value would exceed £8 million, cumulative grantmaking would have surpassed £800,000 and the annual value of grantmaking would have risen from £81,000 to £325,000.
- 4.6 Grants awarded by the CRF will be agreed by the Thriving Third Sector panel, including the addition of a representative of the CRF partners, as outlined in Schedule One of the signed Heads of Agreement, a copy of which is attached as Appendix One for information. ECF is responsible for assessing grant applications and submitting a short-list to the panel for their deliberation.

5 Next Steps

- 5.1 Districts and Unitaries are requested to review this proposal, and if they approve their participation, to confirm their support of the proposal at a future Leaders and Chief Executive's meeting.

Any questions or comments concerning this proposal can be directed to any of the four Councils who have endorsed their participation in the CRF, or to Bob Reitemeier, Chief Executive of Essex Community Foundation at bob@essexcf.org.uk 01245 355947.



**Agreement between Essex Community Foundation
(registered charity no 1052061) and Essex County
Council (the "Council") on behalf of the members
of the Essex Partnership Board.**

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1. This agreement sets out the terms and conditions under which the Essex Community Foundation (ECF) will manage the following Fund:
2. The fund shall be known as the Community Resilience Fund.
3. The fund will be created as an Endowed, Donor Advised, Named Fund.
4. The initial deposit by the Council will be £1 million from ECC. The fund will be set up on receipt of the initial donation and the return of this executed Agreement.
5. Further funds may be added at any time in the future.
6. The purpose of the fund is to support voluntary and charitable organisations in Essex, Southend and Thurrock.
7. A panel of individuals as described in the attached schedule 1, will form an Advisory Panel, and will consider and decide upon the grant recommendations presented to them by ECF.
8. It will be the responsibility of the Advisory Panel members to appoint their successors, advise them of the role and keep ECF informed of any changes. All Advisory Panel members will be expected to observe the terms under which the management of the Fund has been agreed within this Agreement.
9. ECF will hold, manage and invest the fund exclusively for charitable purposes in accordance with an investment policy adopted by the Board of Trustees of ECF.
10. ECF will provide an annual report to members of the Advisory Panel detailing the income and expenditure, and impact of the fund. Half yearly or quarterly reports will also be available on request. Annual reports will be published on the ECF website.
11. The fund will be audited within the ECF annual audit.
12. Grants will be distributed on an annual basis according to the stated purpose of the fund [as identified in schedule 2].



Essex Community Foundation is a member of UK Community Foundations.
Quality Accredited by UK Community Foundations to standards endorsed by Charity Commission.

Patron: Lord Petre, The Lord Lieutenant of Essex

Chief Executive: Bob Heitemeier CBE

Company limited by guarantee
Registered in England
Company No. 3062567
Registered Charity No. 1052061



13. ECF offers added value in its knowledge of local issues and the detailed assessment and monitoring process that ECF brings to applicants seeking funding. If the CRF grant making panel requests a donation to go to a designated, named organisation, the panel is informed that payment is being made, on their instruction, outside of ECF's grants appraisal process and that, beyond confirmation that the organisation is registered to undertake charitable activity, ECF cannot take full responsibility for the effective use of the grant. A copy of ECF's Policy for Designated Funds is available if required.
14. ECF is happy for fund holders to promote their own named funds and to undertake fundraising on their own behalf. However the Foundation has strict guidelines regarding the use of its logo and how ECF must be referred to in the context of any promotional material or fundraising through websites and events.
15. The trustees of ECF will determine the percentage of the capital fund (valuation as at its year-end) available for distribution each year.
16. ECF will publicly invite, receive and assess applications that meet the criteria of the fund and will present these assessments to CRF panel for discussion and approval. The Board of Trustees of ECF has the ultimate responsibility to ensure that all income is distributed for charitable purposes as stated in the agreed criteria so the ECF Programmes Committee must subsequently approve all grants awarded from funds under its management.
17. ECF will administer the grant awards and inform the successful applicants that the award is being made from the Community Resilience Fund. ECF will distribute the payments according to agreed terms and conditions and will monitor the impact of the awards. ECF will also seek, where appropriate, to support applications that cannot be supported by the fund, from other funding streams.
18. ECF will promote and publicise the fund in appropriate media, ECF material and at relevant funding workshops. Details will also be available on the ECF website.
19. ECF will apply a management fee of 2% per annum on the first £100,000; 1.5 % per annum on the next £900,000 and 1.0% per annum charged on the rest over £1million. This is the Foundation's standard fee structure.

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20. Flow through funding will attract a fee of 10%. Flow through funding is non invested, non-endowed funds.

21. In the event that ECF:-

- a. is found to be in breach of any of its obligations under Charity Commission rules,
- b. fails to meet its obligations under this agreement, or
- c. fails to rectify any breach of a) or b) above within 3 months of being notified of such breach or within 3 months of the breach occurring where this should be in the knowledge of a reasonably competent organisation of the same type as ECF, the part of the initial contribution by any donor to the Resilience Fund as remains at that date shall be returned to the Council or other third party provider as appropriate for application to another fund that best meets the objects of the Resilience Fund.

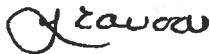
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Executed as a deed by the parties hereto:

The COMMON SEAL of
ESSEX COUNTY COUNCIL
Was affixed hereto



In the Presence of :




Attesting Officer

LAURA EDWARDS

Signed: 
Essex Community Foundation

MARTIN HOPKINS
Name

TRUSTEE
Position

Date 

Signed: 
Essex Community Foundation

JOHN BARNES
Name

TRUSTEE
Position

2nd April 2014
Date

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Chief Executive: Bob Reitemeier CBE

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ESSEX COUNTY COUNCIL	
Ordered to be Sealed	14 March 2014
Number in Seal Book	32537

SCHEDULE 1

1. The responsibility for grant decision making from the Community Resilience Fund will be the Thriving Third Sector Fund Panel with the addition of a single additional representative of partners who contribute to the Community Resilience Fund.
2. The Thriving Third Sector Fund is an established endowed, donor advised, named fund. Its panel works to an agreed terms of reference that defines the panel membership. It is chaired by an ECF Trustee and includes representatives from ECC, county-wide VCS chief executives and public sector agencies.
3. In addition to the defined membership of the Thriving Third Sector Fund those partners who provide donations to the Community Resilience Fund can choose one individual to join the Thriving Third Sector Fund Panel for the purposes of grant decision making in relation to the Community Resilience Fund.
4. This individual shall be chosen annually by the Essex Partnership Board, or similar body should the Essex Partnership Board no longer meet.
5. Nominations will take place on an annual basis.
6. If, at any time in the future, the Thriving Third Sector panel ceases to exist, decisions regarding the distribution of income from the CRF will be made at the discretion of the Trustees of Essex Community Foundation. Such decisions will honour the original purpose as set out in this Agreement.
7. The Advisory Panel shall meet on at least one occasion each year.

If at any time in the future the Thriving Third Sector fund ceases to exist the panel shall continue to meet to decide on the allocation of the resilience fund.

SCHEDULE 2

THE OBJECTS OF THE RESILIENCE FUND

Supporting the voluntary and community sector to develop the ability of communities, family and individuals to help themselves and each other.



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