

## **VOLUNTARY SECTOR FUNDING**

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<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision? (yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	
<b>Appendices (attached):</b>	Appendix 1: Financial Support 2026-2027 Appendix 2: Voluntary Sector Annual Impact Reports.

### **Summary**

This report considers the continued support of voluntary sector organisations and sets out the proposed funding arrangements for 2026/2027

The report also considers the impact of Local Government Reorganisation and presents a funding proposal for the financial year 2027/2028.

### **Recommendation (s)**

#### **The Committee is asked to:**

- 1. Agree to the financial support of the voluntary sector organisations as detailed in:**
  - a) Option 1 (section 3.2 of this report)**
  - or;**
  - b) Option 2 (section 3.9 of this report)**
  - or;**
  - c) Option 3 (section 3.19 of this report)**
  - or**
  - d) Option 4 (section 3.24 of this report)**

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### 1 Reason for Recommendations

- 1.1 The council has continued to provide financial support to those voluntary sector organisations as set out in section 2.2 of this report. This support is subject to committee approval each year.
- 1.2 The council continues to face significant financial pressures and, along with Local Government Reorganisation, the committee may wish to consider varying options for the on-going support of these organisations.
- 1.3 This report is asking the committee to agree to one of the proposals, as set out in section 3 of this report.

### 2 Background

- 2.1 The council provides support to a range of voluntary organisations in Epsom and Ewell. This support has been provided to help maintain and improve the quality of life for the borough's residents.
- 2.2 The council has historically supported the following organisations:
  - Age Concern Epsom & Ewell (ACEE)
  - Citizens Advice Epsom and Ewell (CAEE)
  - Central Surrey Voluntary Action (CSVA)
  - RELATE Mid & East Surrey
  - The Sunnybank Trust (SBT)
- 2.3 Following committee papers taken to Community and Wellbeing Committee in January 2025, and Strategy and Resource Committee in July 2025, from 1<sup>st</sup> April 2026, the council will no longer offer financial support to RELATE Mid & East Surrey. As such, they are not being considered in this report.
- 2.4 ACEE, CAEE, CSVA and SBT continue to provide support to some of the most vulnerable residents in the borough. They are also often the catalyst for mobilising community action and attracting, training, and deploying volunteers.
- 2.5 Over the course of the Covid-19 pandemic, the support the voluntary sector offered the borough's residents was invaluable, and they have continued to meet the needs of vulnerable residents who were disproportionately impacted by the effects of the pandemic.

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- 2.6 The response of the voluntary sector to the on-going cost-of-living crisis has also proved invaluable. This continues to impact many of the borough's residents; especially those who were already experiencing significant hardship.
- 2.7 The impact report for each of the organisations supported by the council are shown in Appendix 2
- 2.8 At the time of the January 2025 Committee, both CAEE and ACEE reported an increase of 25% and 22% respectively in the numbers of residents they are supporting. The annual impact reports shown in Appendix 2 continue to demonstrate an increase in residents accessing these services.
- 2.9 Ceasing to provide financial support to the voluntary organisations, especially during the on-going cost-of-living crisis, could result in vulnerable residents being placed at a further disadvantage and unable to access the support and advice they need. Such a decision may also increase demand on council services.
- 2.10 While some of the voluntary sector organisations depend on the support of the council to ensure their ability to support residents, others do benefit from significant levels of alternative funding. For example, ACEE has been the beneficiary of significant funding from bequests in recent years.
- 2.11 The report taken to Committee in January 2025, referenced the council's intention to relocate from its current office location on The Parade in Epsom, to 70 East Street. As a result of Local Government Reorganisation (LGR) (refer to section 6.6) this move is no longer being considered and as such, the options in this report are reflective of the Voluntary Sector remaining at the Town Hall.

### **3 Proposals:**

- 3.1 This report sets out 4 options regarding funding for specified voluntary organisations.
- 3.2 Option 1:**
- 3.3 The Committee is asked to approve the proposed (on-going) support for voluntary organisations in 2026-2027 as detailed in Appendix 1.
- 3.4 The proposed budgeted net amount for 2026-2027 is £194,859.00. This does not include rents paid to EEBC, after which, the council's total net costs are £188,503.00
- 3.5 There has been a slight increase in service charges of £2,329.00 since the previous year. This is inclusive of water, electricity, gas and central management charges for those organisations based at the Town Hall. All costs are subsumed into the notional grant.

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- 3.6 Parking charges: The council subsidises parking for those organisations based at the Town Hall – the *estimated* subsidy for 2026-2027 is £18,620.00. These charges are based on those forecasts for the next financial year and are due to be considered at Environment Committee on 20<sup>th</sup> January 2026.
- 3.7 The council receives £3,420 from The Sunnybank Trust in rental income. They do not benefit from any other notional grants/awards
- 3.8 The council receives £2,936.00 from Age Concern Epsom and Ewell in rental income. They benefit from £27,410.00 in other notional grants, plus £,3180.00 in parking subsidies.

### **3.9 Option 2:**

- 3.10 The committee is asked to approve the proposed support for the voluntary organisations for the financial years 2026-27 and 2027-28. However, is asked to note that any two-year option would be subject to future sign-off by the new East Surrey unitary's financial leadership. An extension beyond March 2027 would need to be agreed collectively by the new and / or shadow authority's S151 officers once the governance and budgetary framework is in place. Consequently, if agreed, at this stage this option would not be binding but would be the basis of a recommendation to the new unitary.
- 3.11 This option would seek to offer the voluntary organisations being considered in this report some stability and allow them to plan for the period post LGR for up-to one year.
- 3.12 The cost to the council for the year 2026-2027 is as set out in Option 1, section 3.2 of this report.
- 3.13 The cost to the East Surrey unitary authority for the year 2027-2028 cannot be forecast however, in order to provide Committee with an indication of predicted costs, over the course of the last 3 years, net cost (omitting RELATE Mid and East Surrey and accounting for rents received) are as follows:
- 3.14 2023-2024: £190,924
- 3.15 2024-2025: £188,123
- 3.16 2025-2026: £186,104
- 3.17 The slight reduction in 2025-2026 was the result of energy costs decreasing, and these savings being passed on to the voluntary organisations.

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- 3.18 The above provides an indication of future direct expenditure and notional charges and is intended to aid the Committee's decision in choosing to support this option.

### **3.19 Option 3**

- 3.20 To withdraw the direct grants awarded to the voluntary sector, but continue with all notional grants and parking subsidies
- 3.21 This option would mean the withdrawal of direct financial support to Citizens Advice Epsom and Ewell (CAEE) and Central Surrey Voluntary Action (CVSA)
- 3.22 This would represent a saving of £82,104 to the Council for 2026/2027.
- 3.23 If option 3 is preferred, this may have a direct impact on residents and result in a lack of support, advice and guidance being available to those who are most vulnerable. It may also increase demand on council services, in particular housing services and the revenue and benefit department.

### **3.24 Option 4**

- 3.25 This option proposes the council cease all support of the voluntary sector as shown in Appendix 1.
- 3.26 This would represent a saving to the Council of £82,104 in direct grants, and £113,425 in notional grants and subsidies for the year 2026/27. This is as shown in Appendix 1.
- 3.27 If this option is preferred, it would hold the same implications as option 3, whilst also leading to the potential displacement of the voluntary sector organisations.

## **4 Risk Assessment**

### Legal or other duties

#### **4.1 Equality Impact Assessment**

- 4.1.1 Whilst acknowledged that withdrawing the financial support offered to the voluntary organisations could have an impact on the borough's residents in respect of the support they can access, this report is concerned with the provision of financial support to these organisations and not the direct provision of services. As such there are no EIA considerations directly as a result of this report.

#### **4.2 Crime & Disorder**

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4.2.1 The voluntary organisations play an important role within the borough, assisting the statutory services in supporting residents requiring professional interventions, and supporting Community Harm and Risk Management Meetings (CHaRMM).

### 4.3 Safeguarding

4.3.1 Voluntary organisations offer frontline services, and direct support to residents. Voluntary organisations are well placed to identify and respond to safeguarding concerns.

4.3.2 Voluntary organisations work with statutory services in reporting safeguarding concerns through the appropriate channels, and subject to the requirements of the Multi-agency Adult and Child Safeguarding hubs.

### 4.4 Dependencies

4.4.1 None.

### 4.5 Other

4.5.1 None

## 5 Financial Implications

### 5.1 Impact of the voluntary organisations:

5.2 Much of the work of the voluntary sector organisations involves substantially the same residents as those who interact with the council on a regular basis. These residents may primarily be those who access the council's services relating to Housing, and the Revenue and Benefits team.

5.3 The support the voluntary sector organisations provide to residents has both direct and indirect financial benefits to include, but not exhaustive of:

- Prevention of evictions and statutory homelessness by providing advice and support in reducing housing and energy related debts, and support in the repayment of Council Tax arrears
- Maximising benefits and additional income entitlements
- Providing direct resources to include Foodbank vouchers, energy payments, and other discretionary payments i.e., for transport or additional services.

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- Providing opportunities for accessing education, volunteering, and employment
- Securing external sources of funding opportunities.
- Increasing social impact in respect of reducing isolation, offering emotional support, gaining a sense of purpose, and belonging, and intervening to address issues as they emerge.
- Providing mental health/psychological interventions that can prevent a crisis that often, inadvertently, can result in financial difficulties.

5.4 To remove funding may therefore have as significant impact on the residents of the borough and have implications for the council in regard to being required to respond directly to an increased demand for support.

### 5.5 Council revenue:

5.6 Direct grant payments are made to CAEE and CSVA. The council budgets for this expenditure within its revenue budget each year at a cost of £82,104 (not inclusive of notional awards or parking subsidies)

5.7 The remaining costs are notional, inclusive of parking costs.

5.8 Any funding beyond 31<sup>st</sup> March 2027 as set out in option 2 of this report is subject to future sign-off by the new East Surrey unitary's financial leadership as set out in 3.10.

5.9 **Section 151 Officer's comments:** The Council must set a balanced budget for 2026/27 and is facing financial pressures that need to be taken into consideration when choosing the preferred option.

5.10 I can confirm that the proposed expenditure for 2026–2027 (£194,859 gross / £188,503 net) is within the approved revenue budget and does not require use of reserves.

5.11 While we would like the new unitary authority to honour funding post 2026/27 it cannot be guaranteed, and it will be a decision for the new authority.

## 6 Legal Implications

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- 6.1 The Council has power to provide grants to voluntary and community sector organisations under the general power of competence set out in section 1 of the Localism Act 2011. All grants will be made in accordance with the requirements of subsidy control legislation (if applicable).
- 6.2 Council officers reviewed the government guidance pertaining to the subsidy control legislation and consider that the grants outlined in this paper are unlikely to constitute a subsidy.
- 6.3 Relying on the specific response to the four questions set out in the government guidance, given the nature of services provided, these charities are not considered enterprises, with the grants not being deemed capable of having an effect on competition or investment within the UK, or trade or investment between the UK and another country or territory.
- 6.4 The Council must enter licences, funding agreements and other agreements in respect of notional and direct awards. The contract manager will review these agreements as required, and in ensuring the financial integrity of each organisation.
- 6.5 The grants set out within the body of this report are not subject to the Council's Contract Standing Orders. (Section 4 and 10 EEBC CSO).
- 6.6 **Legal Officer's comments:** As set out above

## 7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** The following Key Priorities are engaged:
  - Safe & Well: A place where people feel safe, secure, and lead healthy, fulfilling lives and
  - Smart and Connected: building stronger communities.
- 7.2 **Service Plans:** Providing support to the vulnerable residents as well as supporting the local voluntary sector are both included in this years' Service Plan.

The matter is not included within the current Service Delivery Plan.

- 7.3 **Climate & Environmental Impact of recommendations:** No implications for the purpose of this report.
- 7.4 **Sustainability Policy & Community Safety Implications:** No implications for the purpose of this report.



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- 7.5 **Partnerships:** Voluntary organisations comprise members of the "third sector" that support the local community through the delivery of services. The Council works in partnership with all the voluntary organisations identified in this report. The Council also leads on a Community and Voluntary sector forum that is held annually and brings our voluntary sector organisations together.
- 7.6 **Local Government Reorganisation (LGR):**
- 7.7 The council acknowledges that the impact of LGR will also be felt by the Community and Voluntary sector. This is primarily the result of changes to the geographical boundaries within which these services operate, with possible implications for funding arrangements.
- 7.8 If option 1 is supported, this would provide assurance to the voluntary sector organisations for one-year up-until 31<sup>st</sup> March 2027, The council is unable to commit funds post this date, as this will be a decision for the new unitary authority (refer to section 3.9 and 5.5)
- 7.9 The council acknowledges that this is an unsettling and uncertain time for the voluntary sector as we move through LGR and commits to exploring opportunities for future funding opportunities in light of this.
- 7.10 As such, the council is committed to working with the shadow authority to establish funding for our much-valued voluntary sector.

## 8 Background papers

- 8.1 The documents referred to in compiling this report are as follows:

### **Previous reports:**

[Report entitled Voluntary Sector Funding 2025-2026 reported to Community and Wellbeing Committee 16th January 2025](#)

[Report to S&R – July 2025 \(RELATE\)](#)

### **Other papers:**

- None.