

CABINET

3 December 2003

COMMUNITY GRANTS - POLICY REVIEW 2004/05

REPORT OF DIRECTOR OF COMMUNITY SERVICES

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RECENT REFERENCES:

CAB429 'Community Grants - Interim Policy Review and Emergency Grant Request' - 3<sup>rd</sup> July 2002

CAS7 'Community Grants - Revenue Awards 2003/04' 6<sup>th</sup> February 2003

CAB614 'Community Grants - Capital Awards 2003/04' 19<sup>th</sup> March 2003

EXECUTIVE SUMMARY:

The main purpose of this report is to seek Cabinet approval for the policies, conditions, and assessment criteria that will apply to all capital and revenue community grants in 2004/05. The report also introduces a number of service improvements and proposed new developments to the community grants scheme arising out of the recommendations of the community development best value review.

RECOMMENDATIONS:

That Cabinet approves: -

- 1 The revised policies and criteria for revenue and capital community grants in 2004/05, and the revised conditions for capital community grants in 2004/05 as set out in appendices A, B and C to this report.
- 2 The assessment matrix shown in Appendix D as the basis for evaluating and prioritising all community grant applications in 2004/05.

- 3 That the Director of Community Services in consultation with the Portfolio Holder for Community Services be authorised to undertake minor editing to Appendices A to D to give clarity to the text if necessary.
- 4 The proposed changes to the timetable for the submission of community revenue grant applications as set out in paragraph 4.1.
- 5 The establishment of a Community Chest grants scheme in 2004/05 along the lines set out in paragraph 4.2, subject to the submission of a further report clarifying the details of the scheme.

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### COMMUNITY GRANTS - POLICY REVIEW 2004/05

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#### DETAIL:

##### 1 Introduction

- 1.1 This report presents the proposed revised policies, conditions and assessment criteria for community grants in 2004/05. The relevant documents, which have been set out in appendices A, B C and D, will form the basis upon which all grant applications will be evaluated and prioritised for the next financial year. The community grants scheme supports a wide range of groups and organisations - reports CAS7 and CAB614 provide details of revenue and capital awards for the current financial year.
- 1.2 The report also gives details of recent service improvements and planned future developments to the community grants scheme.
- 1.3 Members are reminded that 'grant aid' has been included within the purview of the Community Development Best Value Review team, which is due to present its final report to corporate management team within the next few weeks. The findings of the team have helped inform this policy review, as have the recommendations of a recent internal audit report on grants.

##### 2 Factors Influencing the Review

- 2.1 The best value review process has identified a number of key issues for the Council to consider in its approach to grant aid. These are: -
  - The importance of having a single point of contact for all funding enquiries, a rationalised approach, and an integrated source of information and expertise.
  - All grant information, publicity, and application forms etc. should be clear, widely disseminated and accessible to all including 'hard to reach' groups.
  - The grant giving process should be equitable, transparent, open, closely linked to corporate priorities and resilient to challenge.
  - The importance of developing a mechanism that enables the authority to enter into long-term (3-5 years) funding agreements with key revenue clients. This is entirely in accord with the Government's objective to move towards more stable, long-term funding for the voluntary and community sector.
  - The ability to support requests for modest support (tens or hundreds of pounds rather than thousands) by establishing a small grant scheme along the lines of a 'community chest' approach.

- 2.2 The Council's internal audit section recently carried out a review of the procedures and processes applied to grants. Generally, grant activity was seen to be effective and robust as far as probity issues were concerned. The one potentially serious area of weakness identified by the audit was checking whether outside organisations had adequate third party public liability insurance (and employers liability insurance where relevant). This issue has now been addressed and appropriate systems put in place for the forthcoming grants round.

### 3 Progress to Date

- 3.1 The community development best value review highlighted the need to streamline the Council's approach to grant giving and to develop a comprehensive advice service on external funding opportunities. One of the key drivers to the achievement of this objective has been the creation of the new post of Partnership and External Funding Officer (PEFO) within Community Services. The post has been filled since the end of September. The aim is for the PEFO post to become the single point of contact and key focus for all grant-funding enquiries. However, it is clear that this process will have to be managed carefully over time.
- 3.2 As a start to the rationalisation of the grant giving process, it has been agreed that management responsibility for voluntary sector housing grants should be transferred from Health and Housing to Community Services. Funding to support the scheme, which is currently shown within the Enablement budget, will be transferred to the 2004/05 revenue grants budget in due course.
- 3.3 The policies, criteria and conditions for capital and revenue community grants have been revised for 2004/05 and have been set out in appendices A, B, and C to this report. Cabinet approval is required prior to the distribution of full application details to our current and potential grant clients. Work is still ongoing to ensure the documents are presented in a manner that is both user-friendly and accessible on the one hand, and robust on the other. Therefore, although wording may be adjusted slightly in an effort to communicate in plain English, the essence of the documents will remain unchanged. Members are reminded that general and any specific conditions for revenue support are specified within the service level agreements (SLAs) that are negotiated with all revenue clients following the grant allocation process.
- 3.4 In an effort to move towards a grant allocation process that is both equitable and as objective as possible, a set of assessment criteria has been developed. The relevant document is shown at Appendix D. Although it is arguable whether any evaluation model can be entirely objective, it is important for the Council to have some mechanism to justify its decision making process for grant awards.

### 4 Proposals for the Future

- 4.1 The current timetable for revenue applications is unhelpful in terms of the budget setting process. By the time applications have been submitted each year, at the end of January, budgetary allocations have already been agreed. Therefore, it seems logical to bring the application deadline forward to the autumn so that the overall level of demand can inform the budget at a stage when amendments to budgetary allocations can still be considered where appropriate. Consultations carried out during the best value review confirmed that the majority of revenue clients, particularly the larger organisations, would welcome such a move. Cabinet is therefore asked to endorse this approach for the 2005/06 community grant

programme, i.e. applications to be submitted in autumn 2004 for support in 2005/06. Approval for this change is needed now to allow sufficient time to ensure a smooth transition to the new arrangements.

- 4.2 A system of negotiated service level agreements (SLAs) between the City Council and its revenue clients has been in place for several years and is now broadly accepted by grant recipients. However, consultations and research carried out during the best value review identified a number of shortcomings with the current arrangements, particularly the inability to offer long-term funding agreements or indeed any indication of the level of future awards. Although it is not possible for the Council to offer any 'guarantee' on the level of a grant for longer than one year, a move towards longer term 'planning' figures is feasible. This shift of emphasis towards a developmental approach to SLAs will enable the Council to be much clearer as regards its attitude to future levels of funding for particular organisations. Three 'levels' of funding agreements are proposed: -
- (i) Strategic - long-term (3-5 years) agreements to support the core costs of the Council's key partners.
  - (ii) Service - service specific 'commissions' to meet identified community needs.
  - (iii) Project - short-term (1 year max) one-off grants to pump prime and support small groups and initiatives - see paragraph 4.3 below.

A proportionate approach to the negotiation of SLAs will be adopted in order to avoid placing unreasonable burdens on smaller groups.

- 4.3 Due to the high level of demand for revenue community grants in recent years, it has not proved possible to support one-off or modest requests for funding from some of the smaller groups in the district. The best value review highlighted the need for a simple, quick response, small grants scheme along the lines of the community chest approach operated by other authorities. Schemes of this nature offer groups quick access to small grants (usually £250 - £500 maximum) to get things done, rather than having to rely on raising funds via events or donations which can be extremely time-consuming and exhausting for volunteers. It is proposed to develop a similar scheme for the district by top slicing funds from the existing revenue grants budget. At this stage Cabinet approval is sought for the principle of developing a community chest scheme to be in place by 1<sup>st</sup> April 2004, subject to the submission of a further report setting out the details of the scheme.
- 4.4 Where an organisation is seeking funding across Local Authority boundaries and there is a clear case for joint funding, we will endeavour to discuss this with the relevant authority prior to making an approval recommendation. A similar working relationship would be expected from other organisations expecting a match funding arrangement.

OTHER CONSIDERATIONS:5 CORPORATE STRATEGY (RELEVANCE TO):

- 5.1 The community grants scheme is of direct relevance to a number of key objectives and priority areas: -
- Working with and supporting the voluntary sector to deliver the most appropriate services for local communities - Corporate Priority
  - Helping the voluntary sector to provide better services to the community - Cultural Strategy
  - Recognising the importance of small-scale community facilities and services and support these wherever possible - Cultural Strategy.
  - Providing more and better leisure opportunities which meet the needs of young people and people after retirement - Cultural Strategy

6 RESOURCE IMPLICATIONS:

- 6.1 The Council's ability to respond to applications for community grant aid each year is constrained by the availability of resources in the capital and revenue grants budgets. A grants reserve is also maintained, primarily to deal with emergency requests for assistance.

BACKGROUND DOCUMENTS:

None.

APPENDICES:

- Appendix A Policies and Criteria for Revenue Grant Aid 2004/05
- Appendix B Policies and Criteria for Capital Grant Aid 2004/05
- Appendix C Capital Grant Conditions 2004/05
- Appendix D Assessment Matrix