

DECISION-MAKER: CABINET
SUBJECT: GRANTS TO VOLUNTARY ORGANISATIONS 2015 TO 2019
DATE OF DECISION: 17 MARCH 2015
REPORT OF: CABINET MEMBER FOR RESOURCES AND LEISURE

CONTACT DETAILS

AUTHOR: Name: Joanne Hughes Tel: 023 8083 4067
E-mail: joanne.hughes@southampton.gov.uk
Director Name: Suki Sitaram Tel: 023 8083 2060
E-mail: suki.sitaram@southampton.gov.uk

STATEMENT OF CONFIDENTIALITY

Not applicable

BRIEF SUMMARY

Southampton City Council has a long history of supporting the contribution of the voluntary and community sector in the City with grants, contracts and other help in kind. The first three year funding cycle using an outcomes based commissioning approach began in April 2013 and has proven successful in providing stability for the grant recipients and a more efficient grants process for the Council. This report makes recommendations for implementing a further three year funding cycle from April 2016 and the work commissioned will make a contribution to meeting the council's priorities set out in the Council Strategy 2014-17.

RECOMMENDATIONS:

- (i) To agree another three year funding cycle using the outcomes based commissioning approach, from April 2016 to March 2019, with a budget of £1,543,980 per year, subject to budget setting each year.
- (ii) To formally give notice to existing three year outcomes-based commissioned grant recipients in April 2015 that their existing funding arrangement will end on 31 March 2016 and any future funding applications will be considered without reference to previous grant allocation.
- (iii) To agree that funding for domestic abuse and sexual violence services from the corporate grants budget between April 2016 and March 2019 will be allocated by the Council's Integrated Commissioning Unit to commission services within the PIPPA (Prevention, Intervention, Public Protection and Alliance) service model from voluntary organisations.
- (iv) To end Southampton Nuffield Theatre Trust's current three year funding arrangement one year early, on 31 March 2015, and enter into a new four year funding arrangement with the Nuffield from 01 April 2015 to 31 March 2019, covering both their current activities and the new Arts Complex activities.
- (v) To delegate authority to the Assistant Chief Executive following

consultation with the Cabinet Member for Resources and Leisure to agree the outcomes grants between April 2016 and March 2019 will be awarded against and to do anything necessary to give effect to the recommendations contained in this report.

REASONS FOR REPORT RECOMMENDATIONS

1. The current three year funding cycle comes to an end in April 2016 and the Council has to give notice to make any changes in the allocation to existing grant recipients. Three year funding provides stability for local voluntary organisations and reduces costs for the Council, compared to an annual funding cycle.
2. Jointly commissioning domestic abuse and sexual violence (DASV) services with the Integrated Commissioning Unit will ensure the strategic priorities of the city in relation to addressing the impact of DASV are addressed and delivered through integrated services that better supports victims. It will also provide a single funding route making it easier for applicants and avoiding duplication in applications and funding.
3. The Arts Complex is a significant step forwards in the City's cultural aspirations and economic development. A single seamless four year grant will provide essential stability during its start-up phase.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. Returning to an annual funding cycle would be inefficient for the Council and create an uncertainty in the funding situation for many local voluntary organisations.
5. Commissioning DASV services separately could lead to duplication of funding and services that do not necessarily meet the priorities agreed in the city and are out of step with the new integrated PIPPA services model.
6. Continuing to grant fund the Nuffield's existing services separately from the Arts Complex misses the opportunity for added value that an integrated service could provide. It could also destabilise the operating company at a critical time for the Arts Complex's development.

DETAIL (Including consultation carried out)

Three Year Funding

7. In February 2013 the Council awarded three year grants to the majority of the voluntary grants recipients for the first time. The aim of the longer term funding was to provide stability for local voluntary organisations and create a more efficient grants process for the Council. Feedback from grant recipients has shown providing stable funding for three years has enabled them to plan ahead more effectively, which in turn has enabled them to better mitigate the impact of the reduction in funding during that period.
8. It is proposed to continue this approach with another three year funding cycle from April 2016, providing both three year grants and one year Community Chest small grants. A new Prospectus will be developed, with the outcomes reflecting the council priorities set out in the Council Strategy 2014-17. Grants will be awarded against these priorities and outcomes, which will be agreed under delegated authority by the Assistant Chief Executive following consultation with the Cabinet Member for Resources and Leisure after further consultation with voluntary and community organisations in summer 2015. The

new three year grants will open for applications, for eight weeks, in early September 2015. Recommendations for grant awards will be presented to Cabinet in February 2016 for the grants to start on 1 April 2016.

9. To ensure a fair allocation process it is proposed to formally give notice to the existing three year grant recipients that their existing funding will end on 31 March 2016 and any future funding applications will be considered without reference to previous grant allocation. The exception to this is proposed to be Southampton Nuffield Theatre Trust whose existing grant will end 31 March 2015 if recommendation (iv) is approved – as detailed in paragraphs 24-30.
10. In a challenging financial climate and in light of the Council's new operating model it is vital to ensure that its grant funding is securing outcomes that meet its priorities in the Council Strategy 2014-17. Therefore it is important to review its grant allocation for the next 3 years. While the Council acknowledges that giving formal notice could create uncertainty for some voluntary organisations, particularly those with staff, it has a duty to ensure all potential applicants have a fair opportunity to apply for funding regardless of whether they have been funded before. The Council is committed to advising applicants of their grant recommendation as early as possible to enable them to plan ahead.
11. The corporate grants budget is currently £1,543,980 per year, subject to budget setting each year. Of this £50,000 per year is allocated to Community Chest. Some respondents to the consultation (detailed below) requested an increase in the corporate grants budget to reflect the increased pressure on voluntary sector services. However, given the Council's financial position, no recommendation has been made to increase the grants budget. Work will continue to look at alternative ways the Council can support local voluntary and community organisations, particularly around applying for other sources of funding.
12. Existing grant recipients and potential applicants were consulted on the proposals between November 2014 and February 2015, with a positive response overall. The methodology included use of social media (Facebook and Twitter) as well as email and the Council's website. This initial phase of the consultation did not attract much feedback. Only 12 responses were received, including face to face meetings with two organisations directly affected by the proposals for DASV services. The low response rate was not unexpected as another three year funding cycle would be good news for local voluntary and community organisations. While improvements to the process have been proposed they would not substantially change the process for applicants, providing stability in the application process. The consultation feedback is attached at Appendix 1 and the Equality and Safety Impact Assessments (ESIAs) are attached at Members' Room Document 1.
13. The Community Chest small grants scheme is always in demand as it provides a simple and flexible fund which is especially good for first-time grant applicants. It is proposed to continue the scheme with a budget of £50,000 per year between April 2016 and March 2019. Following consultation in 2013 the criteria was updated to ensure the scheme continues to meet the needs of small community groups in the City. No further changes to the criteria are proposed at this time, however, the application process will undergo some changes in 2015. While the application form has been available electronically for some years, from the next round (opening mid-March 2015) there will be a fully online application form. The aim is to streamline the application process for both applicants and the Council and provide the modern, digital service that

our customers expect. The downloadable electronic forms and paper forms will still be available on request for anyone not able to use the online form.

14. Following the piloting of the online Community Chest application form, online application forms for the three year funding will be developed later in 2015. As with Community Chest the downloadable electronic forms will still be available on request for anyone not able to use the online form. Paper application forms were phased out from the large grants several years ago, however, they can be made available if necessary.
15. It is proposed to review these arrangements in 2017/18 to allow for timely and effective consultation before a decision is made about funding from April 2019 onwards. It will also ensure grant recipients are given sufficient notice of any funding changes before the end of their 2016/19 grant.
16. A summary of the achievements of grant aided organisations (both the three year grants and Community Chest) in the last two years is attached at Members' Room Document 2.

Support for people experiencing domestic abuse and sexual violence

17. Priorities in the Council Strategy include prevention and early intervention as well as protecting vulnerable people and the implementation of the new Southampton Against Violence Plan (the Plan) will make a specific contribution towards these council priorities as well as the priorities of the Safe City Strategy 2014-17. It outlines the development of a PIPPA (Prevention, Intervention, Public Protection and Alliance) service model. Integral to the Plan is the development of an integrated domestic abuse and sexual violence (DASV) multi agency service, bringing together the range of services alongside strategic partnerships within a single management structure.
18. While many elements remain similar to existing service provision, there are some fundamental changes in the way services will be working and commissioned to meet the combined outcomes set out in the Plan. This includes:
 - Commissioning services to bring voluntary sector input to the PIPPA model (approved at Cabinet on 17 February 2015)
 - Collectively including a focus on prevention, early intervention and timely and appropriate responses to all levels of risk. Historical services have tended to focus on their areas of risk, which has predominantly been high risk. The new model ensures collective and specific responsibility across all levels of risk.
 - Setting all service delivery within a single service model to collectively improve outcomes
19. To deliver a single PIPPA service model it will be important that all elements are jointly secured and commissioned against specific and collective outcomes. Furthermore, all parties engaged in the PIPPA model will be required to contribute to the Alliance element of the service model (e.g. involving single point of contact, awareness raising). To achieve the combined vision it is proposed that elements of the corporate grants budget are allocated to the Integrated Commissioning Unit (ICU) to jointly commission the Commissioned service elements within the PIPPA model.
20. The funding will form part of a contract with a voluntary sector provider, but would be subject to the standard council conditions for voluntary sector grants

and the level of funding would be an indicative amount subject to budget setting each year. The funding is proposed to be ring-fenced for voluntary organisations or a voluntary sector partner.

21. If approved by Cabinet, this proposal will mean that any voluntary organisation wishing to apply for funding to support people experiencing DASV will need to do so through a competitive tender (contract) process. This work will no longer be funded through the three year funding grants process. It is proposed that the amount allocated to the ICU is the same as will be spent on this work in 2015/16 - £101,828. Currently this is split between the following organisations:
 - Southampton Rape Crisis: Counselling service and elements of STAR and ISVA, £62,860
 - Women's Aid: Outreach and Helpline, £38,968
 - Total grant funding in 2015/16, £101,828.
22. It is proposed that this funding arrangement follows the grants to voluntary organisations cycle, and would therefore be reviewed in 2017/18 at the same time as the three year funding. It will also be subject to any changes in the annual grants to voluntary organisations budget. If the final budget for any of the three years changes from that originally proposed, the amount allocated to the ICU for DASV services will also change by the same percentage.
23. The proposals for DASV services were consulted on at the same time as the three year funding proposals. Around half of the respondents did not feel able to comment or were not sure about the proposals because they were not directly affected by them. Of the responses received, there was overall support for the proposals. However, there was concern about moving the funding out of the grants process and into the procurement process. While the Integrated Commissioning Unit will be commissioning the new services, the funding will remain within the grants budget, and as stated above will be subject to the same rules as grant funding and the funding arrangement will be monitored to ensure these rules are applied. The grant funding will still be used to support voluntary sector organisations, which is the aim of the Council through allocation of the grants to voluntary organisations budget.

Southampton Nuffield Theatre Trust / Arts Complex

24. In November 2013 the Council facilitated an open call for bids for an organisation to take on the day to day operation of the performing arts elements of the Arts Complex and to provide overall strategic leadership as the Operating Company. The operation of the Arts Complex is to be funded by the Council through a multi-year grant from April 2015 to enable planning and development work before the complex opens in the summer of 2016. Following an open, competitive process, Southampton Nuffield Theatre Trust (the Nuffield) was provisionally chosen as the operating company, subject to final funding decisions by Arts Council England and Southampton City Council.
25. The Nuffield is currently in receipt of three year grant funding (April 2013 to March 2016) from the Council's corporate grants budget for running activities at its theatre on the University of Southampton's Highfield campus and across the City. After being provisionally chosen to take on the operation of the Arts Complex the Nuffield has proposed to merge its current activities and the Arts Complex activities into one organisation. Arts Council England have also awarded substantial revenue funding for the Operating Company, based on a

bid from the Council, which included commitment of Council revenue funding. Arts Council England have awarded £1,264,251 for the 3 years from 2015/16 to 2017/18, subject to funding from the Council.

26. It is proposed to end the Nuffield's current grant a year early and enter into a new four year funding arrangement from April 2015, combining the Council's existing grant funding and the proposed Arts Complex funding.

	Existing funding	Arts Complex funding	Total
2015/16	£120,161	£170,000	£290,161
2016/17	£120,161	£175,100	£295,261
2017/18	£120,161	£180,353	£300,514
2018/19	£120,161	£185,764	£305,925

27. Should this proposal not be approved the Nuffield's existing funding arrangement will continue to March 2016 and the Council will need to give formal notice in April 2015 when notice is given to the other three year funding recipients.
28. As with the DASV funding, the corporate grant part of the Nuffield's funding will be subject to budget setting each year, and will also be subject to any changes in the annual grants to voluntary organisations budget. If the final budget for any of the three years changes from that originally proposed, the Nuffield's grant will also change by the same percentage.
29. A mixed response was received to the consultation on the proposals for the Nuffield and the Arts Complex. The majority of respondents felt unable to give an opinion as the proposals did not directly affect them. There was general support from those that did respond, with some concerns raised. Respondents commented that stability in funding is something other voluntary organisations would appreciate and that consideration should be given to reducing the level of funding in future years if efficiency savings are made from the Nuffield's combined activities. One of the planned tenants of the Arts Complex supported the proposal stating the importance of a stable operating company during the critical period of opening and establishing the Arts Complex.
30. Requests for changing funding arrangements are considered on a case by case basis. With significant amounts being spent to develop the Arts Complex and the impact on the economic development of the City as well as its cultural aspirations, it was felt the proposed funding arrangement and level of funding was appropriate at this time. This funding arrangement will be monitored and will be subject to review in 2017/18 alongside the three year funding.

RESOURCE IMPLICATIONS

Capital/Revenue

31. The proposed 2016/17 to 2018/19 grants to voluntary organisations budget is made up of the following elements.

Year	2016/17 £	2017/18 £	2018/19 £	Total £
Corporate	1,527,740	1,527,740	1,527,740	4,583,220
HRA	16,240	16,240	16,240	48,720
Total	1,543,980	1,543,980	1,543,980	4,631,940

32. The Council budget is set annually in February each year. Therefore the proposed budgets for 2016/17 to 2018/19 are provisional and are subject to budget setting in February of each year.

Property/Other

33. No immediate property implications are raised by this report. If, through the development of a grant supported initiative, a property issue is generated it will be subject to detailed consultation in the usual way.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

34. Section 1 of the Localism Act 2011 permits a Council to do anything that an individual may do whether or not normally undertaken by a local authority (the General Power of Competence). The power is subject to any pre or post commencement restrictions on the use of the power (none of which apply in this case).

Other Legal Implications:

35. The Council is mindful of the Compact and the Best Value Statutory Guidance and the need for timely and meaningful consultation with voluntary organisations, with a clear explanation of proposals and an open, transparent, corporate, co-ordinated approach. Decision makers must be satisfied that consultation with affected organisations has been adequately carried out and that where appropriate any notice period given before the implementation of any reduction in grant is adequate and reasonable.
36. The Council recognises its equalities duties and in making decisions will pay due regard to the need to eliminate discrimination and promote equality and to undertake Equality and Safety Impact Assessments (ESIAs). The ESIAs have been updated following the consultation and are attached at Members' Room Document 1.

POLICY FRAMEWORK IMPLICATIONS

37. Grant recommendations relate to the relevant Policy Framework plans and the services provided by the grant-aided organisations will assist the Council in meeting the overall aims of its policy framework including the objectives set out in the Southampton City Council Strategy 2014-17.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED: All

SUPPORTING DOCUMENTATION

Appendices

1. Consultation feedback on Grants to voluntary organisations 2015-19

Documents In Members' Rooms

1. Equality and Safety Impact Assessments
2. Three year funding 2013-16: achievements of grant aided organisations for the period 2013-2015

Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out. Yes

Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1. None	