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| DECISION-MAKER: | CABINET | | |
| SUBJECT: | GRANTS TO VOLUNTARY ORGANISATIONS 2013/14 TO 2015/16 | | |
| DATE OF DECISION: | 19 FEBRUARY 2013 | | |
| REPORT OF: | CABINET MEMBER FOR EFFICIENCY AND IMPROVEMENT | | |
| <u>CONTACT DETAILS</u> | | | |
| AUTHOR: | Name: | Joanne Hughes | Tel: 023 8083 4067 |
| | E-mail: | joanne.hughes@southampton.gov.uk | |
| Director | Name: | Dawn Baxendale | Tel: 023 8091 7713 |
| | E-mail: | dawn.baxendale@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. In August 2012, a new outcomes-based Commissioned Grants Programme was agreed, including a Three Year Funding Scheme. This report details recommendations for the first round of grants to be awarded from that scheme.

RECOMMENDATIONS:

- (i) To approve the grant recommendations set out in the attached Appendix 1.
- (ii) To delegate authority to the Communities and Improvement Manager, following consultation with the Cabinet Member for Efficiency and Improvement, to allocate Community Chest grants during the year until the new Small Grants Programme takes effect.
- (iii) To delegate authority to the Senior Manager, Communities, Change and Partnerships, following consultation with the Cabinet Member for Efficiency and Improvement, to agree a process for a One-Off Grant Scheme, should sufficient funding become available.
- (iv) To delegate authority to the Senior Manager, Communities Change and Partnerships, following consultation with the Cabinet Member for Efficiency and Improvement, to:
 - determine transitional relief, where appropriate, where grants have been reduced or discontinued
 - do anything necessary to give effect to allocation of grants for 2013/14 to 2015/16.

REASONS FOR REPORT RECOMMENDATIONS

1. Southampton City Council has a long history of supporting the contribution of the voluntary and community sector in the City with grants, contracts, spot purchases (such as room hire or training) and other support in kind.
2. The grant awards process was reviewed in consultation with voluntary and community groups in the City between July 2011 and August 2012. On 21 August 2012, Cabinet agreed the new outcomes-based Commissioned Grants Programme. This is the first round of applications to be considered under the new programme.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. The grant applications requested more than double the proposed grants budget. Therefore, the option of awarding all applicants the full amount they requested was considered and rejected as this would have meant that the Council would have had to find an additional sum of money in the region of £1.8 million in 2013/14 (£5.35 million over 3 years).
4. Awarding no grants was considered and rejected as the City's residents would lose access to a wide range of important services and it could put many voluntary organisations in the City at risk of closure.

DETAIL (Including consultation carried out)

5. The three year funding scheme from the outcomes-based Commissioned Grants Programme provides one, two or three years of funding, where appropriate and subject to budget setting and availability. It is aimed at voluntary organisations working in the City that meet at least one of the Council's outcomes. The new scheme was agreed by Cabinet in August 2012 after several phases of consultation with the voluntary and community sector beginning in July 2011. Following consultation between November 2011 and February 2012, which included meetings and online feedback, several outcomes-based commissioned models were discussed and a scored model was developed. Voluntary organisations were given details of the proposed, scored model for the outcomes-based Commissioned Grants Programme in June 2012 and invited to give feedback before the Programme was finalised and approved by Cabinet on 21 August 2012.
6. On 3 September 2012, all currently funded organisations were given written notice that their current funding relationship will end on 31 March 2013 and any future grant applications will be considered on their own merits. Notwithstanding any requirement for transitional relief for certain previously funded groups, this meant that all applications could be considered as new applications without reference to previous funding. A summary of the consultation is attached at Appendix 2 and full details are contained in the report to Cabinet on the Process for Awarding Grants to Voluntary Organisations 2013/14 and Beyond, 21 August 2012.
7. The three year funding scheme was open for applications between 31 August 2012 and 26 October 2012. Throughout this period application support was available via phone, email and face to face meetings. In addition, a drop-in advice session was held on 1 October 2012 which was attended by 26 organisations. Sixty six applications were received, of which 35 were from

currently funded organisations and 31 from organisations not currently funded by the Council. The total amount requested was more than double the proposed budget for each year and this is in line with the trend in previous years.

8. The agreed appraisal process undertaken for each applicant was as follows:
 - Preliminary Assessment – ensuring all supporting documents had been submitted and applications had been fully completed.
 - Technical appraisal – by specialist appraisers covering all aspects of the application, including finance, governance, contribution to outcomes, suitability for funding, consideration of wider strategic impact (including consulting with Cabinet Members, other officers and senior managers).
 - Assessment Panel meetings – all applications discussed by panels of specialist officers.
 - Moderation and recommendations – to ensure scoring was consistent for all applications before the recommendations were agreed by Assessment Panel members.
9. In order to fully assess and discuss all 66 applications in detail it was necessary to split them across a number of panel meetings. It was not possible to base the Assessment Panels on the outcome themes as the majority of applications stated they contributed to outcomes across two or more themes. Therefore, the applications were allocated to panels according to the subject area of the application and the most appropriate specialist officer to act as lead appraiser. This approach also made the most efficient use of resources, with individual officers needing to attend just one or two meetings rather than all of them. The Grants Officer from the Communities and Improvement team attended every panel meeting to aid consistency. Depending on the number of applications for each work area, some panels covered just one work area while others covered several. There were also two meetings for all appraisers to agree all the recommendations. The final meeting, at which recommendations were agreed, comprised of officers from all panels to ensure consistency. Details of the panel meetings are available in Appendix 3.
10. Following appraisal 35 applications are recommended for funding. Of these, 25 are currently funded organisations and 10 are not currently funded. The full list of recommendations is detailed in Appendix 1.
11. In order to ensure that the total recommended amounts came within the proposed budget, the recommendations were grouped into bands according to score. The band determined the amount of grant funding recommended for 2013/14, with lower scores receiving less of their requested amount.
 - Band A (100-90) - 20% lower than requested amount
 - Band B (89-85) - 25% lower than requested amount
 - Band C (84-80) - 30% lower than requested amount
 - Band D (79-75) - 35% lower than requested amount
 - Band E (74-70) - 40% lower than requested amount
 - Band F (69 and lower) - no grant recommended

The amounts recommended for 2014/15 and 2015/16 are a further 7% less year on year in line with the proposed overall budget reduction of 7% each year.

12. Applicants were notified of their grant recommendation on 08 January 2013 - six weeks before the decision date. This is an improvement on previous years when recommendations were announced just 2-3 weeks before the decision date. Applicants were invited to provide information on the impact of the recommendation. Applicants were also provided with information on how to make representations to Cabinet.
13. The impact assessment process for funding recommendations (including both Equality and Safety Impact Assessments and general impact assessments) has been built into the new grant application process. The application form asked two questions about impact to ensure officers considered both equality and safety issues and also the general impact on an organisation and its members of not receiving the full amount they requested.
 - If Southampton City Council is unable to fund part or all of your requested grant, what would be the impact? Please tell us about the wider impact on your organisation, not just on this work. (question 2.8)
 - If the Council is unable to fund part or all of your requested grant would there be a disproportionately negative affect to the protected characteristics listed in the Equality Act 2010? (question 2.9)
14. As no organisation has been recommended the full amount they requested, all applicants have been asked if they would like to update their answers to questions 2.8 and 2.9 of the application form. This updated information (which organisations have provided following consideration of the officer recommendations) has been used to update the Equality and Safety Impact Assessments (ESIA) completed for each applicant as part of the appraisal process. Meetings to discuss the impact of the recommendations were also held with some organisations at their request. Individual impact assessments for each applicant are detailed in the document held in Members' Rooms. A Cumulative Impact Assessment (CIA) has also been completed and is attached at Appendix 4. This appendix also includes feedback from individual organisations which they specifically requested to be presented to Cabinet. Applicants are still considering the impact of the recommendations for their organisation and further updates may be submitted to Cabinet at the meeting on 19 February 2013.
15. On 21 August 2012, Cabinet agreed to set aside a small amount from the grants to voluntary organisations budget each year for a One-Off Grant scheme, subject to budget availability, using the outcomes-based model. A nominal amount of £28,000 is available in 2013/14 but the final position will be dependent on the final grant awards. It is proposed to develop the process for the One-Off Grant scheme under delegated authority later in the year when the budget position and priorities will be clearer.
16. Work has begun on developing a new Small Grants Programme to provide small grants for community groups, replacing the current Community Chest scheme. Consultation on this with local community and voluntary organisations will begin shortly. The consultation topics will include involving

communities in making grant recommendations and a scheme being run by a voluntary organisation.

17. While the consultation is undertaken the existing Community Chest scheme will continue, with the first round closing on 15 May 2013. Cabinet is requested to delegate authority to the Communities and Improvement Manager following consultation with the Cabinet Member for Efficiency and Improvement, to allocate Community Chest grants during the year until the new Small Grants Programme takes effect.
18. In 2012/13, the Council awarded 56 Community Chest grants, with an average grant of £902. Grants were awarded to a wide range of community groups across the City, including groups representing residents and communities of interest, sports groups, arts and crafts groups, groups supporting disabled people, older people's groups, younger people's groups, early years groups, environmental groups and groups supporting employment and training. The grants were awarded for general running costs (such as room hire for meetings and basic stationery to publicise groups), events and activities (such as fun days, exercise classes, arts and craft workshops and youth clubs) and equipment (for activities and also to support the running of the groups). A list of the Community Chest grants awarded in 2012/13 is attached at Appendix 5.
19. In March 2012, the Council made a commitment to publish the 'support in kind' given to voluntary and community groups in the City. The total value of support in kind as of January 2013 is £879,660. This includes 'less than market value' rents and rate relief. This support is in addition to the grants to voluntary organisations budget and Council contracts with voluntary and community organisations. Details of the support given are available in Appendix 6.

RESOURCE IMPLICATIONS

Capital/Revenue

20. On 21 August 2012, Cabinet provisionally agreed the following budgets, subject to budget setting in February each year:

| | 2013/14 | 2014/15 | 2015/16 | Total |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| Main grants budget | 1,758,568 | 1,638,968 | 1,527,740 | 4,925,276 |
| HRA | 18,777 | 17,463 | 16,240 | 52,480 |
| Total | £1,777,345 | £1,656,431 | £1,543,980 | £4,977,756 |

21. The Council may be liable in some cases, to give transitional relief where the Council has either ceased or reduced funding to organisations the Council has had a prior funding relationship with. As this needs to be calculated on a case by case basis linked to the impact the funding reduction has on an organisation, it is difficult to estimate the Council's liability. The level of transitional relief can only be determined once impact assessments have been completed for affected groups and the grants are finalised. This could lead to an additional one-off amount being needed in 2013/14, the budgetary impact of which will need to be managed in year, and discussions about this are ongoing with Legal and Finance officers.

Property/Other

22. The property implications in this report in respect of support in kind detailed in paragraph 19 will not require any increased resources. 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:

23. 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:

24. Formal notice was given to all voluntary organisations in receipt of either a Running Costs Fund or New Projects Fund grant on 3 September 2012 that their current funding relationship with the Council will end on 31 March 2013. However, the Council still has a duty to consider the impact on an organisation receiving less funding than before and therefore post-decision transitional relief is also being considered on a case by case basis. If necessary, this will be awarded under delegated authority.
25. 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).

POLICY FRAMEWORK IMPLICATIONS

26. 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 Plan 2011-14.

KEY DECISION? Yes

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| WARDS/COMMUNITIES AFFECTED: | All |
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SUPPORTING DOCUMENTATION

Appendices

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| 1. | List of recommended grants |
| 2. | Summary of consultation on changes to grants process |
| 3. | Grant Assessment Panels |
| 4. | ESIA (cumulative assessment) and feedback to Cabinet |
| 5. | Community Chest allocation in 2012/13 |
| 6. | Support in Kind |

Documents In Members' Rooms

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|----|---|
| 1. | ESIA – individual assessments for each organisation |
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Equality Impact Assessment

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| Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out. | Yes (see Appendix 4 and document in Members' Rooms) |
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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. Process for Awarding Grants to Voluntary Organisations 2013/14 and Beyond – 21 August 2012 | |
| 2. Process For Awarding Grants To Voluntary Organisations From 2013/14 – 12 March 2012 | |
| 3. 2012/13 Grants to Voluntary Organisations Report to Cabinet – 13 February 2012 | |