

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	2012/13 GRANTS TO VOLUNTARY ORGANISATIONS
<b>DATE OF DECISION:</b>	13 FEBRUARY 2012
<b>REPORT OF:</b>	CABINET MEMBER FOR HOUSING
<b>STATEMENT OF CONFIDENTIALITY</b>	
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 order to provide some stability to the voluntary and community sector in Southampton and despite significant financial pressures on the council, in August 2011 Cabinet approved a 2012/13 grants to voluntary organisations budget of £1,907,300, at the same level as 2011/12.

In October 2011 following consultation the Interim Director of Environment approved the proposal to suspend the grants process and renew 2011/12 grants for another year until 31<sup>st</sup> March 2013, subject to satisfactory monitoring. That monitoring has been completed and this report now seeks approval for the individual grant recommendations for 2012/13.

### **RECOMMENDATIONS:**

Having considered the Southampton City Council Plan 2011-14, particularly where grants are authorised under S.2 of the Local Government Act 2000 in pursuance of the council's priorities, the Cabinet is requested:

- (i) To approve the grant recommendations set out in the attached Appendix 1.
- (ii) To delegate authority to the Manager of the Communities Team following consultation with the Cabinet Member for Housing to allocate Community Chest grants during the year.
- (iii) To delegate authority to the Manager of the Communities Team following consultation with the Cabinet Member for Housing to allocate the unallocated budget of £31,721 during the year as grants to voluntary organisations for crisis funding, exceptional projects or any ad hoc grant applications received during the year that meet the council's funding priorities.
- (iv) To delegate authority to the Director of Economic Development following consultation with the Cabinet Member for Housing to:
  - determine any outstanding applications for grants for 2012/13 and to authorise grants to applicants subject to remaining within approved budgets
  - do anything necessary to give effect to allocation of grants for 2012/13

### **REASONS FOR REPORT RECOMMENDATIONS**

1. Southampton City Council has a long history of supporting the contribution of the voluntary and community sector to the city with grants, contracts and other help in kind.

2. On 27<sup>th</sup> October 2011 it was agreed under officer delegated authority to suspend the 2012/13 grants process and renew 2011/12 grants for another year until 31<sup>st</sup> March 2013 and report to Cabinet on the detail of those grants.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. The option of continuing the current open, competitive grant application process for awarding grants in 2012/13 was considered and rejected as it perpetuates annual short term decision making when the council needs to be making long term strategic decisions about its grant making process.

### **DETAIL (Including consultation carried out)**

4. On 1<sup>st</sup> August 2011 Cabinet approved in principle a grants to voluntary organisations budget of £1,907,300 for 2012/13 (the same as in 2011/12) and authorised council staff to undertake stakeholder consultation on:
  - suspending the current grant application process for awarding grants from the corporate grants budget for 2012/13
  - renewing 2011/12 grants at current levels, excluding any paid notice, for a further year until 31<sup>st</sup> March 2013 subject to satisfactory monitoring
5. Cabinet also delegated authority to the Interim Director of Environment following consultation with the Cabinet Member for Housing to determine whether or not to proceed with these proposals and, within approved budgets, to take any other decisions necessary or expedient to determine the award of all grants for the 2012/13 financial year.
6. Consultation on the 2012/13 grants process was conducted between 11<sup>th</sup> August and 6<sup>th</sup> October 2011 and a final report recommending the proposals to suspend the process and renew the 2011/12 grants was submitted to the Interim Director of Environment for decision. On 27<sup>th</sup> October 2011 the Interim Director of Environment approved the proposals.
7. The 2011/12 grant recipients were then invited to submit a grant renewal application. These applications updated the recipient's targets and financial information for 2012/13 to ensure the work funded is still meeting the council's and city's needs and that the organisation is financially viable. All but one of the organisations listed in Appendix 1 have completed the grant renewal application and provided satisfactory target, financial and monitoring information. The exception is Southampton Action for Access who have chosen not to renew their grant, as detailed in paragraph 8.

### **Changes from 2011/12**

8. There are four exceptions to the straight renewal of 2011/12 grants.

**Saints Foundation** received £43,466 in 2011/12 on the understanding that it would be the final year of their New Projects Fund grant. Therefore Saints Foundation is not eligible for a renewed grant in 2012/13.

**Shopmobility** received a grant of £46,000 in 2011/12. However, following extensive consultation and negotiation it was proposed in December 2010 that their grant would be tapered down over three years. Therefore Shopmobility are recommended to receive £35,000 in 2012/13.

**Solent Sky** received a grant of £24,250 in 2011/12. However, due to a delay in the start of their project they did not spend all of their 2010/11 grant and

carried forward an additional £25,750. Solent Sky's total grant in 2011/12 was therefore £50,000 and they are recommended to receive this amount again in 2012/13.

**Southampton Action for Access** received a grant of £3,000 in 2011/12. However, they currently have £7,000 in reserve which is enough to fund their running costs of approximately £2,000 per annum for the next 2 or 3 years. In addition, the Equalities Act of 2010 has resulted in fewer requests for access audits which has reduced their running costs. Therefore they have not applied for a renewed grant in 2012/13.

9. The net result of these changes is an unallocated budget of £31,721. Approval is sought for delegated authority to the Manager of the Communities Team following consultation with the Cabinet Member for Housing to allocate this during the year as grants to voluntary organisations for crisis funding, exceptional projects or any ad hoc grant applications received during the year that meet the council's funding priorities.

### **Community Chest**

10. During consultation with voluntary organisations on the process for awarding grants in 2013/14 and beyond queries were raised about the possibility of outsourcing Community Chest to a voluntary organisation. The Communities team is investigating the possibility of outsourcing the grant and will take into consideration the outcome of the consultation which is due in March 2012. In the meantime it is proposed to run Community Chest in the usual way and as in previous years approval is sought for delegated authority to the Manager of the Communities team following consultation with the Cabinet Member for Housing to allocate Community Chest grants during the year. A list of Community Chest grants awarded in 2011/12 is attached at Appendix 3.

### **2013/14 and beyond**

11. On 14<sup>th</sup> March 2011 Cabinet delegated authority to:
  - conduct a review of whether it would be more appropriate to move towards commissioning and purchasing some of the services that are currently grant aided

It was also noted in the report submitted to Cabinet on 1<sup>st</sup> August 2011 that in the current stringent national economic circumstances in which all local authorities must make significant financial savings to achieve a balanced budget, it is unlikely that the council will be able to maintain the corporate grants budget at current levels beyond 2012/13 and that subject to consultation and the assessment of impact, consideration will therefore have to be given to reducing some grants over the medium term.
12. Consultation on the process for awarding grants to voluntary organisations in 2013/14 and beyond was undertaken between 8<sup>th</sup> November 2011 and 3<sup>rd</sup> February 2012. A report recommending actions following this consultation will be submitted to Cabinet in March 2012.

## RESOURCE IMPLICATIONS

### Capital/Revenue

13. The 2012/13 grants to voluntary organisations budget, as agreed in principle by Cabinet on 1<sup>st</sup> August 2011, is made up of the following elements.

<b>2012/13 Budget</b>	<b>£</b>
Corporate Grants Budget (Housing General Fund)	1,831,800
Housing Revenue Account (HRA) Budget	19,600
Dedicated Schools Grant (DSG) Budget	55,900
<b>Total</b>	<b>1,907,300</b>

14. Changes to four of the grants, as outlined in paragraph 8 above, have resulted in an unallocated budget of £31,721. Approval is being sought for this to be awarded under delegated authority throughout 2012/13 for crisis funding, exceptional projects or any ad hoc grant applications received during the year that meet the council's funding priorities.

### Property/Other

15. 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:

16. The legal powers under which grants are made are listed in Appendix 2 and shown against the grant recommendations for each organisation in Appendix 1 – Schedule of Recommended Grants for 2012/13.
17. Section 2 of the Local Government Act 2000 (the power of well-being) gives the council a general grant making power. Section 2 states that the council may do anything for the promotion or improvement of the economic, social or environmental well-being of its area. The power explicitly permits the incurring of expenditure and the giving of financial assistance to any person, including the giving of grants and loans. The power of well-being is a power of first resort and may be used even where another power exists to do the same thing. The power of well-being is subject to any express restrictions made in any other legislation and may not be used to circumvent restrictions.

### Other Legal Implications:

18. The council is mindful of case law established through the judicial reviews of Haringey Council in 2000, Leicester City Council in 2004, Ealing Borough Council in 2008 and London Councils in February 2011. Accordingly, the council follows four main principles during the annual revenue grants process, namely 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.

19. The Council recognises its equalities duties and in making its decision will pay due regard to the need to eliminate discrimination and promote equality.
20. Integrated Impact Assessments (IIAs) were conducted on the 2011/12 grant decision. As the 2012/13 grants are a repeat of the 2011/12 grants and no new issues were raised during the consultation on renewing the grants the existing IIAs are still applicable and do not need to be updated at this time.

### **POLICY FRAMEWORK IMPLICATIONS**

21. 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.

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**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
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### **SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

#### **Appendices**

1.	Schedule of Recommended Grants for 2012/13
2.	Legal Powers under which grants are made
3.	List of Community Chest Grants made in 2011/12

#### **Documents In Members' Rooms**

1.	None
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#### **Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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#### **Other Background Documents**

**Integrated Impact Assessment and Other Background documents available for inspection at:** Communities Team, 3<sup>rd</sup> Floor, One Guildhall Square

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	2012/13 Grant Renewal Applications	Paragraphs 1 and 3 (personal information and financial/business information of individuals / business). Contains commercially sensitive information
2.	2012/13 Grant Renewal Appraisals	Paragraphs 1 and 3 (personal information and financial/business information of individuals / business). Contains commercially sensitive information