

DECISION-MAKER:	INTERIM DIRECTOR OF ENVIRONMENT AND ECONOMY		
SUBJECT:	ALTERNATIVE OPTIONS FOR ADMINISTERING THE SMALL GRANTS SCHEME		
DATE OF DECISION:	26 JUNE 2013		
REPORT OF:	PROJECT OFFICER, COMMUNITIES AND IMPROVEMENT TEAM, COMMUNITIES, CHANGE AND PARTNERSHIP		
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STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

In August 2012 Cabinet approved delegated authority to the Director of Environment and Economy, following consultation with the Cabinet Member for Efficiency and Improvement (now Cabinet Member for Resources), to make changes to the council's small grants scheme following consultation with community groups.

Consultation was carried out between 25 February and 19 May 2013. Following analysis of that feedback, this report makes recommendations about the administration of the small grants scheme from July 2013.

RECOMMENDATIONS:

- (i) To approve that the council continues to administer the Community Chest small grants scheme.
- (ii) To approve the revised process for awarding grants from the Community Chest small grants scheme, including amended criteria and community representatives joining the recommendation panel

REASONS FOR REPORT RECOMMENDATIONS

1. Nearly two-thirds of the consultation respondents thought the council should continue to administer the small grants scheme and over 80% thought people from the local community should be more involved in making the grant recommendations. Feedback was also received on the type of groups and projects the small grants could fund. The revised Community Chest small grants scheme has been developed as a result of this feedback.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. Continuing the small grants scheme as in its current form was considered and rejected. The scheme is an essential lifeline for many small community groups in the city and needs to be reviewed regularly to ensure it is meeting their needs as well as contributing to the council's priorities.
3. Outsourcing administration of the small grants scheme was considered and rejected as it was clear from the consultation feedback that respondents wanted the council to continue to administer the scheme.

DETAIL (Including consultation carried out)

4. Southampton City Council has run a Community Chest small grants scheme for more than 25 years. During previous consultation with voluntary organisations and via the Big Society Scrutiny Inquiry, feedback was given that Community Chest could be managed differently, perhaps by a voluntary organisation. This, combined with the need to respond to new policy initiatives such as the 'localism' agenda, made the time right to review the administration of the Community Chest small grants scheme.
5. The Community Chest small grants scheme primarily supported small, unfunded, volunteer led community groups across the city, for example, community fun days, health and wellbeing projects, environmental projects, sports clubs, residents associations etc and promoted volunteering and getting involved with the local community. Applications were assessed by a Panel consisting of specialist officers across the council and a representative of Southampton Voluntary Services. The Panel made recommendations to the Communities and Improvement Manager who had delegated authority to decide the grant awards, following consultation with the lead Cabinet Member.
6. Between 25 February and 19 May 2013 consultation was carried out on alternative options for the administration of the small grants scheme. The consultation was open to the general public and advertised widely. It was also specifically targeted at community groups, as potential beneficiaries of the scheme, and voluntary organisations and social enterprises, as potential administrators of the scheme.
7. The key findings of the consultation are:
 - Nearly two thirds of respondents (65%) thought the council should continue to administer the small grants scheme. The main reasons for this were the council's impartiality and overview of the city and the cost of the administration fees being taken from the budget.
 - Over 80% of respondents thought people from the local community should be more involved in making the grant decisions. Around 65% of respondents felt this could be achieved by having community representatives on the recommendation panel.
 - More than 85% of respondents thought the small grants scheme should have at least two rounds per year.

- Respondents were divided over whether to pool separate budgets, for example from the council or health. Just under 50% agreed this was a good idea, but 35% disagreed and 16% were unsure.
 - Overall, respondents thought the existing grant scheme criteria and funding priorities are right.
8. Although the council was initially considering outsourcing it, following the clear feedback received during the consultation, the Interim Director of Environment and Economy is requested to approve the recommendation that the council continues to administer the Community Chest small grants scheme.
 9. Concern was raised that including information that the administration costs of the scheme would be taken from the budget if the scheme was outsourced (meaning fewer grants would be made) biased the consultation responses. The council concedes that this could be the case for some responses. However, not including this information would have meant the responses were not based on the full facts about the costs of such a service and therefore would also have been biased. From the feedback received the biggest concern about outsourcing was not the costs but that other organisations would not have the council's overview and wide knowledge of the city.
 10. The Interim Director of Environment and Economy is requested to approve the revised process for awarding grants from the Community Chest small grants scheme, including amended criteria and community representatives joining the recommendation panel. The changes from the old Community Chest scheme are detailed in paragraphs 11 to 23 below.
 11. Community Chest grants are awarded against the council's standard grant criteria and some additional criteria specific to the small grants. This is supplemented by guidance on what the grant will and will not fund. In response to the type of applications received the guidance has been revised over the years to ensure applications stay within the spirit of the scheme – to fund small, volunteer-led community groups in the city, promoting volunteering and getting involved in the local community. As funding has become tighter in other areas the council has seen an increasing number of applications that fall outside this. It is proposed to strengthen the Community Chest criteria by re-wording some criteria and adding new criteria based on what already happens in practice. This will reduce the number of unsuitable applications, reducing the amount of resources needed to administer the scheme and allowing the council to focus on the small community groups the scheme is designed for.
 12. It is proposed to strengthen the existing criteria of giving priority to small underfunded community groups by adding the following:
 - Groups who have an annual turnover (income) of over £250,000 are not eligible for Community Chest funding.
 - Groups who have an annual turnover (income) of between £50,000 and £250,000 will be treated as a lower priority.
 - Groups who receive funding from the council's Commissioned Grants Programme in the previous financial year or the current financial year will only be considered for a grant in exceptional circumstances.

13. Analysis of the 2012/13 applications showed that 12 of the 95 applicants had an annual turnover (income) of more than £250,000. Only one of these applications received funding. Of the 7 applicants with an annual turnover of between £50,000 and £250,000 only 3 received funding. The remaining 52 grants awarded in 2012/13 were for groups with an annual income of less than £50,000. Therefore the criteria to exclude applicants with annual incomes over £250,000 and treat applicants with annual incomes between £50,000 and £250,000 as a lower priority is formalising what already happens in practice. It will ensure organisations do not waste time submitting applications that have little chance of success.

14. Applications from organisations currently in receipt of the Council's commissioned grants programme funding and its predecessors have always been treated as a lower priority. Despite this the council receives quite a few Community Chest enquiries and some applications from these organisations. The wording of the criteria has been strengthened to actively discourage applications from these organisations, whilst giving a small amount for flexibility for exceptional circumstances.

15. Until now the Community Chest small grants scheme gave priority to applicants "that have not received a Community Chest grant in the past 2 years". Despite this, the council regularly received speculative applications from groups who had recently had a grant. There have also been many enquiries about what the council means by '2 years'. These repeat applications were not funded and wasted the applicant's time, therefore the criteria has been re-worded to discourage repeat applications from successful applicants in the following year:

- Groups who received funding from Community Chest in the previous financial year will only be considered for a grant in exceptional circumstances

The guidance will also be updated to make it clearer for groups to determine if they are eligible that year.

16. Though the council's standard grant criteria states that the council will not fund work that is the responsibility of another statutory agency the council still receives many enquiries from other statutory agencies and even from other Southampton City Council departments. To ensure it is clear that the council will not fund this work from Community Chest the following criteria is proposed:

- Applications are not accepted from statutory agencies, such as the police, health, other local authorities or other Southampton City Council departments.

17. The council's standard grant criteria also states that it does not fund trips, but Community Chest still receives many applications for these. To ensure it is clear that Community Chest will not fund any kind of trips the following criteria is proposed:

- Community Chest does not fund or make contribution towards trips. This includes:
 - Coaches/transport

- Entry costs
 - Day trips
 - Residential trips, such as camping or outward bound holidays
18. Over the past few years there have been an increasing number of applications for contributions towards salaries. As a one-off, one year grant scheme Community Chest is not designed for funding the salaries of directly employed staff. However, as it was only guidance and not criteria it has been difficult to turn down these applications. Therefore the following criteria is proposed to ensure applications are kept within the spirit of the scheme:
- Community Chest does not fund salaries for staff employed by the applicant or to allow applicants to employ staff.
19. The Community Chest small grants scheme requests applicants to detail how their members/attendees contributed towards the group/project. Contributions demonstrate value for money and even nominal contributions ensure that members/attendees value the group/project. Previously this has only been covered by the guidance; in order to formalise it the following criteria is proposed:
- Applicants must demonstrate that members/attendees make contributions towards the group/project unless there are exceptional circumstances not to do so.
- In applying this criterion it is accepted that applicants may need to make allowances for the financial circumstances of their members/attendees.
20. The full and current Community Chest criteria that have not been revised, are attached at Appendix 2. Also attached at Appendix 2 are the council's standard grant criteria. These are set by Cabinet and no amendments are proposed at this time; however, the council priorities are currently being revised and the standard grant criteria will be updated once the new priorities are agreed.
21. It is proposed to invite community representatives to join the recommendation panel. Over 80% of the consultation respondents thought that people from the local community should be involved in making grant recommendations. The majority (around 65%) thought that the best way to achieve this was with community representatives on the recommendation panel. To avoid a conflict of interest, groups with representatives on the recommendation panel will be ineligible to apply to Community Chest. Community Chest grant recipients from the past year will be invited to nominate a representative from their group, serving for a maximum of two years. As these groups are ineligible for a Community Chest grant under the revised criteria detailed in paragraph 15, panel members not being eligible to apply will not be a disincentive to join the Panel.

22. The community representatives on the recommendation panel will be given training and will be supported by council officers. It is also proposed that a local voluntary sector infrastructure organisation is invited to have one representative on the panel to provide an independent overview of the community and voluntary sector. It is proposed that the panel will comprise of:
- Between 3 and 5 community representatives. The minimum will be 3, with the aim to attract up to 5 people.
 - 3 council officers, one of whom will chair the meeting
 - 1 representative from the community and voluntary sector
23. While there was overall support for the above changes the proposal to merge Community Chest with another small grants scheme divided respondents, with half supporting the idea but the other half either against it or unsure. As currently there is no other suitable small grants scheme to merge with the Community Chest small grants scheme it is a moot point. It is proposed to revisit the proposal of merging schemes if/when it becomes relevant.
24. The Cabinet Member for Resources was consulted on 05 June 2013 and agreed with the proposals of the council continuing to administer the Community Chest small grants scheme and inviting community representatives to join the recommendation panel.
25. The Community Chest budget for 2013/14 is £50,000. Approximately £25,000 of this will be awarded in July 2013 under the final round of the old Community Chest scheme, currently in progress. It is proposed, subject to the recommendations in this report being approved, to re-launch Community Chest in early September 2013, with the next round closing on 15 November 2013 and using the remainder of the 2013/14 budget. The re-launch will be combined with promotion of recently awarded Community Chest grants to publicise the contribution community groups make to the city and how the council supports them.

RESOURCE IMPLICATIONS

Capital/Revenue

26. The Community Chest budget for 2013/14 is £50,000, as agreed by Cabinet in February 2013. Cabinet has also agreed an indicative budget of £50,000 per year for 2014/15 and 2015/16, subject to future budget setting decisions. This report does not propose any changes to that budget.
27. The recommendation is for the revised scheme to continue to be run in house. As a result there will be no additional financial impact for the Council

Property/Other

28. 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:

29. 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:

30. The council recognises its equalities duties and in making decisions will pay due regard to the need to eliminate discrimination and promote equality. No equality and safety impacts have been identified as a result of the council continuing to administer the small grants scheme or the amendment of the criteria. As the changes will not impact on protected characteristics more than any other group a full Equality and Safety Impact Assessment was not considered necessary at this time.

POLICY FRAMEWORK IMPLICATIONS

31. 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

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Small Grants Scheme Consultation Feedback
2.	Details of proposed new Community Chest scheme

Documents In Members' Rooms

1.	n/a
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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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.	Grants to Voluntary Organisations 2013/14 to 2015/16 – 19 February 2013	