

GRANT PAYMENTS TO EXTERNAL ORGANISATIONS 2015/16

Cabinet Member: Cllr Colin Slade
Responsible Officer: Grants and Funding Officer

Reason for Report: To gain Member approval for the process and timescale for reviewing the Council's grant programme for external agencies for 2015/16.

RECOMMENDATIONS

- 1. The PDG agree the strategic grants review process as set out in the report;**
- 2. The PDG agree to review the process every two years.**

Relationship to Corporate Plan: The allocation of grants provides support to external agencies delivering services that advance the Council's corporate priorities. Grant allocations tend to be most closely aligned to the Empowering our Communities priority, although they also have a bearing on other strategic objectives such as Economic Development and Housing.

Financial Implications: With the expected reductions in the Council's grant settlement from central government for 2015/16, it is anticipated that the Council will need to find total savings in the order of £1 million. The scope of the report incorporates realigning annual grant awards to 14 external organisations. This includes (a) reviewing grant allocations to agencies providing services that (i) support the district's most vulnerable residents, and (ii) contribute significantly to the quality of life of residents; (b) decreasing grants allocations to agencies where the Council's grant support has been assessed as less necessary; and (c) reducing the amount of funding available for Seed Fund awards. The realignment of grant awards takes into account an anticipated reduction in government grant for 2014/15.

Risk Assessment: Decreases to selected agencies introduced within a short period of time may lead to closure of a valued organisation, or have a negative impact on the activities and services provided to residents. It could also result in adverse publicity for the Council. Significant reductions in established grant allocations may risk a challenge from (a) external organisations under public law and/or (b) the Secretary of State for Communities and Local Government.

Failure to realign grant allocations to (i) reflect changed priorities associated with the Council's strategic objectives, and (ii) current economic restraints, bears the risk of the Council being perceived as out of touch with residents' needs and its reputation being damaged.

1.0 Introduction

1.1 31 March 2014 marked the final year of a three-year review of the District Council's Strategic Grant allocations to external organisations.

1.2 The review enacted the recommendations of the Community Well Being Policy Development Group of 21 June 2011 that:

"The Council review and reassess the overall grants budget, realigning grant allocations to fit more appropriately with the Council's strategic priorities and adjusting grants to organisations assessed as lower priority to free up a budget for 'seed' funding".

1.3 The realignment of grant allocations was phased over three years to enable agencies time to adjust to an amended grant settlement, thereby minimising the risk of an organisation becoming unnecessarily destabilised.

1.4 The review categorised agencies in three groups, as follows:

Group 1 – defined as providing essential services to residents that represent a strong strategic alignment with the Council's objectives.

Group 2 – defined as providing important services to residents that represent some strategic alignment with the Council's objectives.

Group 3 – recognised as providing valued but non-essential services to residents that represent a weak alignment to the Council's objectives.

1.5 From 1 April 2014 the Council provided a Strategic Grant award to the following agencies:

- Age UK Mid Devon
- Blackdown Support Group
- Churches Housing Action Team
- Community Housing Aid Night-stop Service
- Community Council of Devon
- Citizen's Advice Bureau
- Crediton Arts Centre
- Grand Western Canal
- Involve – Voluntary Action in Mid Devon
- Market Centre Drop-In
- Sunningmead Community Association
- Tiverton and District Community Transport (now incorporating Crediton and District Community Transport)
- Tiverton Museum of Mid Devon Life (now including Tiverton Tourist Information Service)

1.6 Through the grants review process, the Council has been able to realise a saving of £55,590, while maintaining a Strategic Grants budget of £184,700 for 2014/15 to support community and voluntary sector organisations.

1.7 During the 2012/13 to 2014/15 review period, the Council introduced a Seed Fund grant programme to provide start-up funding for community initiatives that could demonstrate long term sustainability. The budget for the Seed Fund was reduced from £41,910 in 2013/14 to £15,300 in 2014/15.

2.0 **The next review period**

2.1 It is proposed that the Council commences a further period of review for the allocation of Strategic Grants. The review will also include the Seed Fund. The new review period will cover the 2015/16 and 2016/17 financial years and span the current Corporate Plan 2012-15 and its successor document.

2.2 It is proposed that the Council commences a further period of review for the allocation of Strategic Grants.

2.3 The need to identify savings in anticipation of further reductions in the Council's government grant settlement for 2015/16 and 2016/17 will be a central consideration in the review.

2.4 With the expected reductions in the Council's grant settlement from government for 2015/16, it is anticipated that the Council will need to find total savings in the order of £1 million. The grants review will therefore need to identify further savings in line with the overall reductions in the Council's spending.

2.5 The review will assess currently funded agencies against the following criteria:

- Whether front-line services are being provided for vulnerable or at risk residents;
- The individual financial circumstances of each organisation and an impact assessment of a percentage grant reduction on services provided;
- Three years' worth of accounts;
- Additional 'in kind' support, including leasing arrangements;
- Detailed service and performance data, and whether this represents value for money for taxpayers;
- Whether there is a current business or development plan, or strategic objectives for at least the next twelve months; and
- An analysis of the social, economic and environmental benefit of the services provided.

2.6 In addition, each organisation will be asked to evidence how the services it provides meet the Council's corporate strategic objectives, as set out in its Corporate Plan.

2.7 A full report recommending grant allocations for 2015/16 and 2016/17 will be presented to the Community Well Being PDG in the autumn once the assessment referred to in 2.5 has been completed.

2.8 Alongside the review of agencies in receipt of Strategic Grant funding, officers will appraise the Seed Fund and make recommendations on a future strategy for the scheme.

3.0 Conclusion

3.1 Over the last three years the Council has made significant progress in its review of Strategic Grant allocations to external agencies. During this period the Strategic Grant budget has been reduced by £55,590, or 23%, while the Seed Fund budget has been reduced by £26,610 from 2013/14.

3.2 Officers are proposing a new, two year review in order to further align grant allocations against the criteria set out in paragraphs 2.5 and 2.6.

3.3 A report recommending grant allocation levels for 2015/16 and 2016/17 will be presented to the PDG in the autumn, together with proposals for the Seed Fund.

Contact for more information: Paul Tucker (Grants and Funding Officer, ext. 4930; email: ptucker@middevon.gov.uk).

Circulation of the report: Management Team, Cllr Slade