

- 1.2 The Council's Strategic Grants programme to external organisations has been operating for nearly 20 years (since 2005).
- 1.3 The purpose of the programme is to provide grants towards core running costs in order to help underpin not-for-profit organisations. The underpinning of strategic external partners enables funded agencies to bid for project funding from other grant providers, which continues to be more accessible than grants towards core costs.
- 1.4 Strategic grants are intended to support organisations which provide services that:
- Augment Council service provision;
 - Demonstrably contribute to the Council's priorities (detailed by strategic alignment with the Council's aims and objectives in its Corporate Plan);
 - Offer choice to residents;
 - Bring social and economic benefit (as gauged by the level of service provided by the organisation based on their outputs and outcomes as well as any added social environmental and economic benefits of the services provided);
 - Provide best value; and
 - Cover the whole of the District.
- 1.5 The awarding of grants to external agencies is a discretionary function of the Council. It has no statutory responsibility to provide a Strategic Grants programme.

2.0 Previous Grants Review 2021

- 2.1 Previous reviews prioritised funding decisions against categories of eligible potential strategic partners, where group 1 was the highest priority, group 2 the next highest, group 3 the least and any groups not categorised were not offered funding:

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 with the Council's objectives.

- 2.2 Under the Strategic Grants Programme 2021-2024 the Council offered three-year funding to seven community and voluntary sector partners, whose services were seen to be of strategic importance in supporting Mid Devon's vulnerable residents and/or who contribute to the local economy through their support to the tourism sector.

2.3 The level of funding for 2021-2024 was set at:

Organisation	Grant Award (per annum)
Churches Housing Action Team (CHAT)	£12,500
Citizens Advice	£15,500
Involve – Voluntary Action in Mid Devon	£12,000
Mid Devon Mobility ¹	£22,000
Grand Western Canal ²	£45,000
Tiverton Museum of Mid Devon Life	£27,500
Tiverton Tourist Information Service	£4,000
Total Grants	£138,500

¹ Of which £5,600 is deducted at source to pay for rental of Shopmobility Office in MSCP

²The Council's contribution to the Grand Western Canal is funded from New Homes Bonus

2.4 Grant funding agreements were offered under the following service areas:

- Welfare Information and Advice (supporting Housing)
- Community Transport Services (supporting Community and Economy)
- Voluntary Sector Infrastructure Support (supporting Community)
- Economy and Tourism Support (supporting Economy)

3.0 Strategic Grants Review 2023

3.1 In view of the continuing pressure on local government finances, which is likely to require a £2.1m reduction in general fund expenditure over the coming year, Cabinet has requested the the total strategic grants budget for 2024/25 is capped at £120,000. This will result in a total budget decrease of £18,500. Community PDG will need to consider the benefits and harm of either a universal decrease of grant awards of approximately 13% for each current beneficiary versus individual grant award decisions for each organisation where the total reduction affects perhaps only one or two.

3.2 The purpose of the Strategic Grants Review is:

- To ensure that the Council's investment is directed appropriately to meet the needs of its resident and business community and supports the Council's own priorities as expressed in its Corporate Plan.
- To allow strategic partners to report back to Members on what has been achieved with the previous round of funding.
- To ensure that funding achieves real outcomes for the District and value for money for taxpayers.

3.3 In addition to written submissions, strategic partners will deliver 10-minute presentations to Members with the opportunity for question and answer sessions after each presentation. The review also provides an opportunity for the strategic partners to discuss with Members the emerging needs, challenges and opportunities facing the community and the sector.

- 3.4 As part of the review, Members will need to consider:
- a) The criteria for selecting the agencies that should be funded (eg whether the framework service areas awarded under in the previous review are of the same strategic importance in this review).
 - b) Whether the cohort of agencies represents the appropriate organisations that should be funded, taking into account during review, any agencies that also lease premises or receive other forms of in-kind support from the Council as well as the organisation's financial stability (demonstrated by recent accounts) and organisational robustness (indicated by their governance arrangements);
 - c) The level of funding for each agency, taking into account the proposed budget by Cabinet and the impact of any proposed reductions on the organisation and on vulnerable residents that access support through that organisation.
 - d) The term of the funding period and whether this should be one-year, two-years or three-years, taking into account the Council's budgetary position.
- 3.5 As part of the review, consideration should be given to the long-term commitments of grant awards to provide certainty to the voluntary and community sector partners. Therefore, PDG Members are also requested to recommend a grant period to Cabinet of either a one-year, two-year or three-year funding commitment at the agreed award levels for 2024/25.
- 3.6 In order to undertake the review, and give voluntary and community sector organisations sufficient notice of intended funding levels for 2024/25, the following timetable will be followed:

Step	Milestone	Date
	Presentations to Community PDG	28/11/2023
	Emails to strategic partners issued of tentative funding awards	WB 04/12/2023
	Decision by Cabinet	09/01/2024
	Grant Funding Agreements Issued	WB 15/01/2024

- 3.7 Further to the current grants review, it is also recommended that in order to give voluntary and community sector organisations sufficient notice of intended future funding levels, that future grants reviews are factored into the Community PDG's forward plan with:
- A working group to be established for the autumn of the year that the grant awards expire;
 - Future funding recommendations to the December Cabinet meeting of the year that the grant awards expire.

Financial Implications

The budget allocated for the combined grants during 2023/24 was £138,500. The funding available for 2024/25 will be £120,000, of which any grant award to the Canal will be funded from New Homes Bonus and the rest from General Fund.

Legal Implications

In September 2011, the Department for Communities and Local Government issued a Best Value Statutory Guidance setting out the Government's expectations for councils considering changing funding to local voluntary and community groups. The guidance allows councils the flexibility to exercise appropriate discretion in considering the circumstances of individual cases, while advocating the need for authorities to:

- avoid passing on disproportionate reductions by not passing on larger reductions to the voluntary and community sector as a whole, than they take on themselves;
- give at least three month's notice of any reduction or termination of funding to both the organisation and public/service users;
- make available all appropriate information in line with the government's transparency agenda.

Risk Assessment

The grant review process provides an informed basis for decision-making and will minimise risks with regard to any potential change to the grants. There is a risk that reduced grant awards to strategic partners will result in reduced service delivery.

A significant reduction 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. Reductions to selected agencies introduced within a short period of time may have a negative impact on the activities and services provided by those agencies to residents and could result in negative publicity for the Council.

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

Impact on Climate Change

Ensuring that residents are able to get information and advice through locally delivered services and are able to access local cultural, leisure and green space opportunities reduces travel and related environmental impact.

Equalities Impact Assessment

Ensuring that our most vulnerable residents are able to access information and advice will be considered as part of the review.

Under the Public Sector Equality Duty, when making funding reduction decisions, Local Authorities must have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that the Equality Act 2010 prohibits;
- Advance equality of opportunity; and

- Foster good relations between those individuals who share a relevant protected characteristic and those who do not.

This means that decision-makers must consider the impact of any proposed cuts on the needs of those with protected characteristics. **Please note:** Strategic Grants are paid under Grant Funding Agreements (not Service Level Agreements). The current grants were awarded in 2021 for a period of three years, with the funding agreement ending March 2024. Therefore, no guarantee has been made regarding a continuation of funding after this period. However, equality impacts should still be considered when making funding decisions.

Relationship to Corporate Plan

The allocation of grants provides support to external agencies delivering services that advance the Council's Homes, Community and Economy priorities.

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151

Date: 14 November 2023

Statutory Officer: Maria DeLeiburne

Agreed on behalf of the Monitoring Officer

Date: 14 November 2023

Chief Officer: Richard Marsh

Agreed by Corporate Director

Date: 14 November 2023

Performance and risk: Steve Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 14 November 2023

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

Contact: Zoë Lentell, Economic Development Team Leader

Email: zlentell@middevon.gov.uk

Telephone: 01884 234298

Background papers: N/A