

Report for: Cabinet

Date of Meeting:	9 January 2024
Subject:	Strategic Grants Review
Cabinet Member:	Cllr David Wulff, Cabinet Member for Community and Leisure
Responsible Officer:	Richard Marsh, Director of Place
Exempt:	N/A
Wards Affected:	All wards
Enclosures:	N/A

Section 1 – Summary and Recommendation(s)

To agree the level of grant funding for external agencies under the Strategic Grants Programme for 2024 onwards.

Recommendation(s):

- 1) That Cabinet sets a grant funding period of two years (2024/25 and 2025/26).**
- 2) That Cabinet approves recommended strategic grant funding awards for 2024/25 and 2025/26 as outlined in the report.**

Section 2 – Report

1.0 Introduction

- 1.1 Mid Devon District Council values the role of the community and voluntary sector in providing key services to the community, meeting the needs of Mid Devon residents, particularly the most vulnerable, and helping to deliver the Council's Corporate Objectives.

- 1.2 The Council's Strategic Grants programme to external organisations has been operating for nearly 20 years (since 2004/5).
- 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 providing 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 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.
- 2.2 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 requested the Community PDG review 2024/25 grant provision within a total strategic grants budget of £120,000.
- 3.2 Community PDG met on 28 November to review strategic grants. Current grant recipients provided written submissions and were invited to attend and give presentations on their services, how the funding is used and the potential implications of any reductions in grant funding on their service delivery. Each presentation was followed by a time of questions and answers allowing Members and strategic partners the opportunity to highlight any emerging needs, challenges and opportunities facing the community and the sector.
- 3.3 As part of the review, Members considered:
- a) The criteria for selecting the agencies that should be funded;
 - b) 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.
 - c) The term of the funding period, taking into account the Council's budgetary position and the need to provide some certainty to strategic partners for the purposes of financial planning.
- 3.4 Consistent with previous reviews, Community PDG Members 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:
- 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.
- 3.5 The Community PDG determined the following recommendations:

- i. To assist with financial forecasting and planning for funding recipients, that the strategic grant offers are made for a two-year period (April 2024-March 2026); and
- ii. To ensure a balanced budget, organisations in group 1 to receive a 90% funding allocation compared to current award (10% reduction) and organisations in group 2 to receive an 85% funding allocation compared to current award (15% reduction). None of the organisations were classed as group 3.
- iii. The PDG also recommended that the next review (based on the above recommendations to take place in 2025/26) to be added to the PDG's forward plan.

3.6 Based on the above recommendations, the proposed grant awards for 2024/25 and 2025/26 are as follows:

	Organisation	Grant Award (per annum)
Group 1	Churches Housing Action Team (CHAT)	£11,250
	Citizens Advice	£13,950
	Mid Devon Mobility	£19,800
Group 2	Involve – Voluntary Action in Mid Devon	£10,200
	Grand Western Canal	£38,250
	Tiverton Museum of Mid Devon Life	£23,375
	Tiverton Tourist Information Service	£3,400
	Total Grants	£120,225

3.8. Cabinet is asked to approve the recommendations.

Financial Implications

The budget allocated for the combined grants during 2023/24 was £138,500. The funding available for 2024/25 was set at £120,000, of which any grant award to the Canal will be funded from New Homes Bonus and the rest from General Fund. This funding recommendation is £225 over the budget for 2024/25, which will need to be sourced from the 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: 19 Dec 2023

Statutory Officer: Maria DeLeiburne

Agreed on behalf of the Monitoring Officer

Date: 19 Dec 2023

Chief Officer: Richard Marsh

Agreed by Corporate Director

Date: 19 Dec 2023

Performance and risk: Steve Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 19 Dec 2023

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

Contact: Zoë Lentell, Economic Development Team Leader

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Background papers: N/A