Customer and Community Scrutiny Committee
Report of Head of Corporate Development
Author: Steve Benbough
Tel: 01483 444052
Email: stephen.benbough@guildford.gov.uk
Lead Councillor responsible: Councillor Sarah Creedy
Tel: 01483 449604
Email: sarah.creedy@guildford.gov.uk
Date: 22 October 2013

Review of grants to voluntary and community organisations

Recommendation to the Committee
That the Committee endorses the broad principles set out in this report for a proposed new system of grants to voluntary and community organisations.

Reason(s) for Recommendation:
To ensure transparency, consistency and fairness in our grants system and better align grants with the Council’s corporate priorities.

1. Purpose of Report

1.1 This report sets out progress with our current review of grants to voluntary and community organisations. We are seeking the Committee’s views on the broad principles of a proposed new grants system. We will take these into account prior to the submission of formal recommendations to the Executive on 5 December 2013.

2. Strategic Priorities

2.1 The diverse and extensive nature of existing grant schemes and allocations to individual organisations means that the review impacts on all our strategic priorities. We will be particularly mindful in completing the review of our following fundamental themes:

- the Council will focus on providing sustainable services and this will be established through dialogue and consultation, delivered in close partnership with other organisations.
the Council’s decisions will be focused on evolving a self-reliant and sustainable community whilst providing support for our most vulnerable residents.

3. **Background**

3.1 At its meeting on 28 March 2013, the Executive agreed that we should undertake a fundamental review of council grants to ensure that grant aid supports our strategic priorities and meets the current and future needs of the community. There was also a feeling that grants should focus more on organisations and projects that support our most disadvantaged and vulnerable residents. The Executive indicated that it wished to maintain the total budget available for grants in 2014-15 and that the review should not be seen as part of a process that might reduce this.

3.2 The agenda setting meeting on 19 June 2013 recommended that scrutiny should be involved both prior to and towards the end of the review. We submitted a report on the scope of the review to this Committee on 10 September 2013. The Committee agreed the scope and scheduled a further report on progress and the outline recommendations for this meeting.

3.3 As reported previously, we established an officer project group (chaired by Mark Reed) to undertake the review. Following discussions with the Leader and Lead Councillor for Housing and Social Welfare, we agreed the following set of objectives:

1. better align the grants system with the Council’s strategic priorities and corporate plan
2. ensure that the grants system achieves best value for money and has the greatest impact in meeting the current and future needs of the community
3. be more proactive in identifying need and actively encouraging organisations to deliver a specific service or project to meet this need
4. ensure transparency, consistency and fairness in the grants system, including in the application, assessment and allocation processes
5. ensure proper, consistent and proportionate monitoring and evaluation of grants
6. improve the advertisement and promotion of grant schemes
7. consider any duplication of funding to separate organisations (which could be eliminated by bringing similar organisations together and result in efficiency savings)
8. review whether organisations are being (or should be) grant-aided or commissioned
9. consider options for facilitating grants to support fund-raising initiatives for significant capital schemes and other projects arising during the course of a year

3.4 We informed past grant recipients and relevant third sector organisations that we were undertaking this review and advised them that there may be implications on future funding allocations immediately after the last meeting of this Committee. At the same time, we invited them to forward any comments that they would wish to feed into the review. We will circulate a summary of responses prior to the meeting.

3.5 We also wrote to the numerous organisations that apply for funding through the separate Voluntary Grants Panel funding stream to explain that this scheme was not part of the review and, would, therefore, remain unchanged (see paragraph 4.11).

4. Progress and Outline Proposals

4.1 The officer project group has progressed the review in consultation with the Lead Councillor. The broad recommendations emerging from this work are set out below and in the appendices.

Proposed Community Grants Scheme

4.2 We recommend that a new community grants scheme is established through the merger of some existing grants budgets and the discontinuation of a number of automatic annual grants given to various organisations. In the latter case, these grants are currently paid without the requirement for any application and in the absence of any formal assessment and evaluation processes.

4.3 The proposal would create a new community grants budget of around £132,000. The proposed key features of the new scheme are summarised in Appendix 1 attached.

4.4 We believe that the replacement of individual ring-fenced grants budgets with a new unified scheme will increase consistency, transparency and fairness in the grants system. It will also allow grants to be more focussed on supporting the priorities set by the Executive (for example, supporting our most disadvantaged and vulnerable residents) and encourage the third sector to develop projects which meet these local needs.

4.5 We have taken into account the recommendation of the task group established by the Corporate Improvement Scrutiny Committee that we should consider the potential for introducing a programme of small arts grants on a regular or rolling basis. We do not consider that this approach would be compatible with the objectives of the review of increasing transparency, consistency and fairness in the grants process. However, we will consider the practicalities of introducing two rounds of applications for smaller community grants.

4.6 Arts organisations would be encouraged to submit applications under the new community grants scheme for projects that support and promote our corporate
priorities. However, we consider that the introduction of any ring-fenced budget specifically for small arts grants would again contradict the objectives of the review around transparency, consistency and fairness.

**Commissioning Grants**

4.7 As part of the review process, it became clear that many payments we make to external organisations are not discretionary grants in the same way as those we propose to merge into a new community grants scheme. These payments support on-going running costs and, in effect, are made to commission services from relevant third sector organisations (for example, the grant to Age Concern to operate the Shopmobility scheme). In many cases, the service would no longer continue if we withdrew or significantly reduced the grant. In some instances, we would be required to provide the services ourselves in the absence of the existing arrangements. These “commissioning” grants are set out in Appendix 2.

4.8 We recommend that we incorporate these commissioning grants within service budgets and that the relevant head of service monitor them. All must be subject to funding agreements and we will introduce formal monitoring and evaluation processes where this is currently not the case.

4.9 They will also be subject to the service challenge process in the same way as other elements of the budget. This challenge will include the usual fundamental questions, such as:

(a) do we wish to continue commissioning the service?

(b) do the current delivery arrangements provide value for money?

(c) is there a more cost-effective way of delivering the service or could alternative arrangements offer better outcomes?

(d) what are the procurement requirements and options?

4.11 The Committee may wish to review this list of payments set out in Appendix 2 and to give an initial view on the current arrangements for commissioning the services and projects concerned. However, we would suggest that the scrutiny committees could have a valuable role in monitoring and evaluating the effectiveness of the arrangements in future.

**Partnership Schemes**

4.12 The Guildford and Waverley Voluntary Grants Panel is a partnership scheme attracting match-funding from Surrey County Council. We have reviewed the scheme recently and we think that it is operating effectively. We are not proposing any changes, other than that our own scoring of applications should as far as possible be weighted to reflect the priorities for grants agreed by the Executive.
4.13 The Surrey Community Buildings Grants scheme provides capital grants towards the cost of works to village halls and local community projects. Surrey Community Action administers the scheme in accordance with its criteria and any funding we provide for projects is match-funded by Surrey County Council. In view of the leverage our grants provide and the support it provides our communities in pursuance of our corporate objectives, we recommend that we continue to participate in this scheme.

Yvonne Arnaud Theatre

4.14 We have agreed to provide grant funding of £310,220 to the Yvonne Arnaud Theatre in the current financial year and next. We consider that the continuation of this level of grant is inappropriate in the current financial climate and entirely disproportionate to the funding we provide to other external organisations. However, we recognise that a substantial reduction of this funding over a short timescale is likely to cause financial difficulties for the Theatre and consider that we should treat it as an exception.

4.15 We recommend that the Council should plan to continue providing tapering grant support, the details of which we have still to work out and consider, with a view to the Theatre becoming more self-sustaining. We would expect to work with them to help them achieve this.

5. Issues for scrutiny

5.1 We are seeking the Committee’s views on the outline proposals arising from the review. Key issues for councillors to consider include:

(a) will the establishment of a new community grants scheme facilitate better alignment of funding with our corporate priorities and increase transparency, fairness and consistency?

(b) should more formal agreements, monitoring, evaluation and review processes be introduced for commissioning grants?

(c) the current arrangements for commissioning the services and projects summarised in Appendix 2;

(d) should scrutiny have a role in monitoring, evaluating and reviewing the effectiveness of the arrangements.

6. Financial Implications

6.1 We are not recommending any changes in the overall level of grant support that we provide to voluntary and community organisations. However, there would be changes to the budgets of existing grant schemes and the loss of guaranteed funding to certain organisations.
7. **Legal Implications**

7.1 There are no legal implications.

8. **Human Resource Implications**

8.1 Subject to final decisions on the proposals, we will consider the internal resourcing implications for the management and administration of the new grants system. This may involve some reallocation of responsibilities, but there will be no impact on overall staffing levels.

9. **Conclusion**

9.1 The Executive has asked for a review of council grants to ensure that grant aid supports our strategic priorities and meets the current and future needs of the community.

9.2 The proposals seek to provide a mechanism for aligning grants with our corporate priorities and ensure that funding is awarded in a transparent, consistent and fair way. They also aim to ensure that proper monitoring and evaluation processes are in place to ensure that our grants system achieves best value for money.

9.3 We recognise that changes to our existing grant schemes may be challenging to some organisations. This will particularly be the case if this results in a loss of funding. However, we are not recommending any reduction in the overall level of grant funding available for voluntary and community organisations.

9.4 We intend to recommend a revised grants system for adoption by the Executive in December 2013. Where possible, the 2014-15 budget planning process will reflect the outcome of the review. However, in view of the differing timetables for the various existing grant schemes and the need to give reasonable notice to assist organisations to accommodate any agreed changes, we may need to phase in some of the proposals.

**Background Papers**

Report to Customer and Community Scrutiny Committee on 10 September 2013
Report to and minutes of the Executive on 28 March 2013

**Appendices**

Appendix 1 - Proposed Community Grants Scheme: Outline Principles
Appendix 2 - Commissioning Grants
PROPOSED COMMUNITY GRANTS SCHEME: OUTLINE PRINCIPLES

Budget
A single community grants budget to be created by amalgamating the following grants (figures show budgets for 2013-14)

- Arts grants: £20,720
- Play grants: £10,080
- Sports grants (including outstanding ability): £23,310
- Community and youth project grants: £20,660
- Guildford Choral Society: £2,580
- Guildford Symphony Orchestra: £2,640
- Vivace Chorus: £2,640
- Guildford Music Festival: £4,800
- G Live concession grants: £20,000
- Disability Challengers: £13,960
- Greening the Borough: £2,520
- Guildford Environmental Forum: £950
- Guildford Swimming Club: £3,500
- Surrey Wildlife Trust (Greenspace Project): £4,000

Total: £132,360

Key Features of Community Grants Scheme

Support for community projects and initiatives supporting the Council’s agreed priority outcomes.

Criteria to include weighting towards projects not requiring ongoing year-on-year support and where sustainability can be demonstrated.

Grant support available for social enterprise, community and voluntary organisations (excludes parish councils, schools, businesses and individuals)

New organisations/groups encouraged to apply and criteria will not include unreasonable terms to prevent this (e.g. a requirement to submit previous year’s accounts where these would not be available).

Maximum grant of £15,000 or 50% of total cost (whichever the lower)

- Grant applications for more than £5,000 - one round of applications to be considered by councillor/officer panel with recommendations to Executive
- Grant applications for less than £5,000 - two rounds of applications to be considered with decisions delegated to officers in consultation with lead councillor

Uniform application form for all grants, but with more extensive requirements for applications for more than £5,000.

Standard terms and conditions for grants up to £5,000 and more comprehensive for grants above £5,000.

Standard evaluation process for grants up to £5,000 and more comprehensive for grants above £5,000 (and failure to deliver taken into account in future applications.)
Criteria

1. **Support for council priority outcomes (corporate plan) and community benefit (50 pts)**

- How will the grant contribute to the Council’s priority outcomes (see note below).

- Groups, clubs and individuals that will benefit (particularly new ones)

- What extra facilities/equipment/service will be provided that does not already exist and what new activities will take place as a result

(Note: The draft Corporate Plan sets out our priority outcomes by 2016. The Executive will be asked to identify which priorities it wishes our grants to support (particularly bearing in mind the stated intention to focus on helping our most vulnerable residents). It will be free to change these over the lifetime of the Corporate Plan and introduce new priorities as the plan is developed and refreshed in subsequent years. Possible priorities drawn from the Corporate Plan are set out in the following table.)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Economy</td>
<td>Projects that improve access to training, skills and work opportunities. Projects that improve support networks for the unemployed and working age people on benefits.</td>
</tr>
<tr>
<td>2. Sustainability</td>
<td>Projects that involve local communities actively working with partners to improve where they live, in ways that matter to them.</td>
</tr>
<tr>
<td>3. Society</td>
<td>Projects that improve the lives of vulnerable groups. Projects that establish or support the development of social enterprise in our least advantaged communities. Projects that support those most affected by welfare reform. Projects that achieve positive health and wellbeing outcomes and reduce inequalities, including by encouraging participation in sport and leisure activities by all ages. Projects that prevent homelessness and support homeless households.</td>
</tr>
</tbody>
</table>
2. **Local need and community participation (25 pts)**
   - How do you know that the community needs this project (consultation results, support from residents etc.)
   - Does anything similar exist in the area
   - How did you consult (survey, open meeting etc.)
   - Statistical evidence and data

3. **Viability (25 pts)**
   - Is the project financially viable and does it provide value for money
   - Can the project be delivered within a reasonable timescale and be managed by the organisation now and in the future
   - Match funding/alternative funding available
   - Has the project considered charges for end users
   - Sustainability of project in future years to avoid reliance on council grants
   - Has the specific project previously received grant aid from the council

**Other**

Better promotion/publicity to attract wide range and new applications.

Pre-application seminar/workshop for potential applicants

Move to online applications

We will consider internal resourcing implications/administration of the scheme.
COMMISSIONING GRANTS

Existing funding agreement in place

Classical music grant £60,000

Annual grant of £60,000 (for up to four years) for classical music provision.

Guildford Allotment Society £13,280

Annual grant to manage allotments on the Council’s behalf.

Voluntary Action South West Surrey £18,250

Funding agreement to provide support to the voluntary sector, including rent subsidy for premises in Castle Street.

Age Concern Surrey (Shopmobility) £34,840

Funding agreement to provide the Shopmobility scheme.

Guildford Citizens’ Advice Bureau £214,550

Funding agreement.

Guildford Citizens’ Advice Bureau £17,000

Separate funding agreement for money advice service.

Ash Citizens’ Advice Bureau £69,410

Funding agreement.

Ash Citizens’ Advice Bureau £46,000

Separate funding agreement for money advice service.

Surrey Lifelong Learning Partnership £20,000

Provision of Housing Options Employment Support initiative (formerly HELP)

Surrey Community Action £3,800

Annual contribution to Surrey Community Action’s Rural Housing Enabler (RHE) post.

Guildford Cricket Festival £18,000

Annual contribution of £18,000 towards the Guildford Cricket Festival.
No current funding agreement

Guildford Book Festival  £22,840

Annual grant to enable the event to take place.

Basingstoke Canal  £34,960

Annual grant to support the management of the Basingstoke Canal as a leisure and conservation resource (funded in partnership with other councils under an agreed formula).

Blackwater Valley Project  £10,300

Annual grant to protect the Blackwater Valley and promote recreation, landscape and wildlife improvements.

Surrey Heathlands Project  £17,100

Annual grant to contribute to the stewardship of the Council’s heathland site at Pirbright.

Hurtwood Control Trust  £6,750

Annual grant to provide leisure pursuits and maintain rights of way within Hurtwood Control area.

Other

Rape and Sexual Abuse Support Centre  £11,300

Tapered rent support and will end within two years.