Executive Report
Report of Executive Head of Organisational Development
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Date: 5 December 2013

Review of grants to voluntary and community organisations

Recommendation to Executive
That the Executive:

(1) approves the outcomes of the review of grants to voluntary and community organisations, as described in this report, including the establishment of the new community grants scheme summarised in Appendix 1;

(2) authorises the Head of Health and Community Care Services, in consultation with the Lead Councillor for Housing and Social Welfare, to determine the detailed operation of the new community grants scheme, including the application, allocation, monitoring and evaluation processes;

(3) authorises the Head of Health and Community Care Services, in consultation with the Lead Councillor for Housing and Social Welfare, to award grants for less than £5,000 under the new community grants scheme;

(4) approves the nomination of three councillors to serve on the councillor-officer panel established to make recommendations to the Executive on the award of grants for £5,000 or more under the new community grants scheme;

(5) authorises relevant heads of service, in consultation with the appropriate lead councillor and Executive Head of Governance, to enter into funding agreements for up to three years in respect of the external organisations and services summarised in Appendix 2 and to agree associated monitoring and evaluation processes; and

(6) authorises the Head of Parks and Leisure Services, in consultation with the Head of Financial Services, to enter into discussions with the Yvonne Arnaud Theatre on the provision of future tapering grant support with a view to the theatre aspiring to greater self-sufficiency.
**Reason(s) for Recommendation:**
To ensure transparency, consistency and fairness in our grants system and to better align grants with the Council’s corporate priorities.

1. **Purpose of Report**

1.1 At its meeting on 28 March 2013, the Executive agreed that we should undertake a fundamental review of our grants to voluntary and community organisations. The report sets out the outcomes of that review and makes recommendations for changes to our grants system.

2. **Strategic Priorities**

2.1 The review of grants supports the society theme in our corporate plan. In particular, we are seeking to promote the following priorities through the review:

- work with our partners to improve the lives of vulnerable groups;
- improve public health and wellbeing outcomes for residents;
- increase the development of social enterprise in our least advantaged areas;
- encourage sport and physical activities for all age groups; and
- support residents through welfare reform.

3. **Background**

3.1 In 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. The Executive made it clear 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. However, it also indicated that grants should focus more on organisations and projects that support our most disadvantaged and vulnerable residents.

3.2 The review should also be considered in the context of the decision taken by the Executive in September 2013 to launch Guildford Philanthropy. Under this initiative, we have agreed to match-fund private philanthropic donations to build up a fund to provide a source of grants to stimulate and support social enterprise in the borough. We have budgeted for Council contributions of £18,750 in the current financial year and, subject to the approval of a growth bid, £37,500 in 2014/15.

3.3 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, which were subsequently endorsed by the Customer and Community Scrutiny Committee on 10 September 2013:

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 immediately after the meeting of the Customer and Community Scrutiny Committee in September 2013 that we were undertaking this review and advised them that there may be implications on future funding allocations.

4. Progress and Draft Proposals

4.1 The officer project group progressed the review in close consultation with the Lead Councillor for Housing and Social Welfare. The recommendations 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, we currently pay these grants 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 of our corporate plan (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. However, we do not consider that the introduction of a ring-fenced budget specifically for small arts grants would be compatible with the objectives of the review of increasing transparency, consistency and fairness in the grants process and would not assist us in better aligning grants with our corporate priorities. We will though encourage arts organisations to submit applications under the new community grants scheme for projects that support and promote our priorities.

4.6 We will also review the practicalities of introducing two rounds of applications for smaller community grants after the first year of awards. We will need to weigh the potential benefits against the possible loss of transparency, consistency and fairness in the application, assessment and allocation processes that this review is seeking to introduce.

4.7 We are developing a communications plan to emphasise the purpose of the review and to ensure that the new arrangements are widely publicised to local voluntary and community groups. We will publish guidance on the new community grants scheme and are planning a seminar for potential applicants in January 2014.

4.8 We are currently working to the following timetable for the introduction of the new scheme in 2014/15:

- Approval by Executive (5 December 2013)
- Application forms and guidance published (by 15 January 2014)
- Seminar/workshop for applicants (by 24 January 2014)
- Deadline for applications (by 31 March 2014)
- Councillor panel recommendations/delegated decisions (by early May 2014)
- Report to Executive (June 2014)

In subsequent years, we will bring the timetable forward to enable grants to be allocated by 1 April.

**Funding Agreements**

4.9 As part of the review process, it became clear that many payments we make to external organisations are not the same as those we propose to merge into a new community grants scheme. These payments support ongoing running costs and the delivery of specific services by relevant third sector organisations (for example, the grant to Age Concern to operate the Shopmobility scheme). In many cases, the service would no longer be viable 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 grants are set out in Appendix 2.

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

4.11 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 supporting 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?

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 of our corporate plan.

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 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 aspiring to greater self-sufficiency. We would expect to work with them to help them achieve this.

Customer and Community Scrutiny Committee (22 October 2013)

4.16 The Customer and Community Scrutiny Committee considered the outline proposals at its meeting on 22 October 2013. The Committee supported the proposed new arrangements, but requested a report reviewing the outcome of the first round of grant awards under the new community grants scheme.

4.17 As referred to previously, we informed past grant recipients and relevant third sector organisations that we were undertaking this review. We also invited them to forward any comments that they would wish to feed into the process. These responses were reported to the Scrutiny Committee and are attached as Appendix 3 for the benefit of the Executive.

5. Summary of Options

5.1 The Executive could decide not to make changes to specific or all existing grants and ring-fenced grants budgets. However, we believe that this would make better alignment of the grants system with the Council’s corporate priorities more difficult. Other objectives of the review, such as securing greater transparency, consistency and fairness in assessment, allocation, monitoring and evaluation processes, may also not be achieved.

6. Financial Implications

6.1 We are not recommending any changes to 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 funding to certain organisations. We will reflect the outcome of the review in the 2014-15 budget planning process.

7. Legal Implications

7.1 We will need to consider and address the legal implications arising from any future decisions to continue or discontinue grant funding. As well as consulting with the relevant recipients, we will need to comply with any provisions in the funding agreements requiring notice to be given before a grant is terminated. If there are no specific termination provisions, we will need to consider the legal requirements for termination and, in particular, whether there is any legitimate expectation that funding would continue.

7.2 We will also need to consider the public sector equality duty. This requires due regard to be had to the need to eliminate discrimination, harassment or victimisation on the grounds of a protected characteristic (such as sex, disability, race and age) and the need to advance equality of opportunity and foster good relations between individuals who share protected characteristics and those who do not.
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 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.

10. Background Papers

Report to Customer and Community Scrutiny Committee on 10 September 2013
Report to and minutes of the Executive on 28 March 2013
Responses of voluntary and community organisations to the review

11. Appendices

Appendix 1 – Proposed Community Grants Scheme: Outline Principles
Appendix 2 – Grant Funding Agreements
Appendix 3 – Summary of responses to grants review notification
APPENDIX 1

PROPOSED COMMUNITY GRANTS SCHEME: KEY PRINCIPLES

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

<table>
<thead>
<tr>
<th>Grant</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts grants</td>
<td>£20,720</td>
</tr>
<tr>
<td>Play grants</td>
<td>£10,080</td>
</tr>
<tr>
<td>Sports grants (including outstanding ability)</td>
<td>£23,310</td>
</tr>
<tr>
<td>Community and youth project grants</td>
<td>£20,660</td>
</tr>
<tr>
<td>Guildford Choral Society</td>
<td>£2,580</td>
</tr>
<tr>
<td>Guildford Symphony Orchestra</td>
<td>£2,640</td>
</tr>
<tr>
<td>Vivace Chorus</td>
<td>£2,640</td>
</tr>
<tr>
<td>Guildford International Music Festival</td>
<td>£4,800</td>
</tr>
<tr>
<td>G Live concession grants</td>
<td>£20,000</td>
</tr>
<tr>
<td>Disability Challengers</td>
<td>£13,960</td>
</tr>
<tr>
<td>Greening the Borough</td>
<td>£2,520</td>
</tr>
<tr>
<td>Guildford Environmental Forum</td>
<td>£950</td>
</tr>
<tr>
<td>Guildford Swimming Club</td>
<td>£3,500</td>
</tr>
<tr>
<td>Surrey Wildlife Trust (Greenspace Project)</td>
<td>£4,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£132,360</strong></td>
</tr>
</tbody>
</table>

Key Features of Community Grants Scheme

Assistance for community projects and initiatives supporting the Council’s corporate priorities.

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 (for example, a requirement to submit previous year’s accounts where these would not be available).

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

- grant applications for £5,000 or more - one round of applications to be considered by councillor/officer panel with recommendations to Executive
- grant applications for less than £5,000 – one round of applications 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 (10 pts)
   - How will the grant contribute to one or more of the Council’s priority outcomes, as follows:

<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.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>Projects that establish or support the development of social enterprise in our least advantaged communities.</td>
</tr>
<tr>
<td></td>
<td>Projects that support those most affected by welfare reform.</td>
</tr>
<tr>
<td></td>
<td>Projects that achieve positive health and wellbeing outcomes and reduce inequalities, including by encouraging participation in sport and leisure activities by all ages.</td>
</tr>
<tr>
<td></td>
<td>Projects that prevent homelessness and support homeless households.</td>
</tr>
</tbody>
</table>

- 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
2. **Local need and community participation (5 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 (5 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
APPENDIX 2

GRANT FUNDING AGREEMENTS

Existing funding agreement in place

Classical music grant £60,000

Annual grant (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.
SUMMARY OF RESPONSES TO GRANTS REVIEW NOTIFICATION

Voluntary and community groups were notified of the review and informed that there may be changes to individual grants and existing grant schemes and that schemes could be merged or discontinued.

They were invited to forward any comments that they wished to feed into the review.

Guildford Allotments Society
The Society does not view its payment as a grant, but as a (commissioning) payment to enable it to carry out its function of managing allotments on the Council’s behalf.

Guildford Environmental Forum
Detailed response setting out how its work contributes to the Council’s strategic priorities and giving examples of its projects and activities. It also explains how the funding is used and how it has managed a reduction in grant from £3,000 to £950 per annum.

Guildford Symphony Orchestra
Detailed response setting out the strengths and achievements of the Orchestra and confirming the importance of Council funding. The Orchestra is supportive of a grants process that is transparent, outcomes focused and flexible to allow for collaborative working where appropriate and for a range of delivery mechanisms. In addition, it suggests that the grants process should:

- Encourage longer term planning and investment by grant recipients (i.e. be multi-year rather than one year grants).

- Recognise and encourage a range of community benefits provided by recipients (the social value of the services provided).

- Foster innovation, awarding grants outside the group of “usual suspects”, and allowing recipients to determine a range of activities to meet agreed outcomes (rather than awarding grants only on the basis of outputs).

- Recognise that not everything has to be “new” to be good. Many charities have been operating effectively for years and provide valued and valuable services to the borough’s residents.
Continued core funding is of enormous value to small charities which may not be in a position – or may indeed not need to – reinvent themselves to continue to be effective.

- In the case of community delivered arts, recognise that this type of charity struggles to raise funds through public donations (as opposed to more “popular” causes) and that the costs of delivery (venue hire, etc.) are rising rapidly. A key source of income is the charity’s members themselves and this is relatively elastic (i.e. small increases in subscriptions can have an enormous impact on membership).

**Send Family Link**

A review can only ever be a good thing and all I have to feed back is that we were very happy with your grants process.

**St Peter’s Catholic School**

Arts and sports grants have been invaluable in helping to purchase equipment that would not be possible within the normal school budget. Would like these grants to continue. Suggests that the amount could be capped at a lower level to ensure that more applications could get at least some funding.

**Surrey Heathland Project**

Guildford is one of three local authority funding partners, all of which have a legal obligation to manage their heathland SSSI’s. Guildford’s funding has always been a core partnership payment for the direct, on the ground work the project organises and the guidance, assistance and advice we give to ensure that Guildford is able to comply with this legislation. The project manages large scale heathland restoration contracts as a package for partners. The response emphasises how the project performs its role economically and efficiently and provides value for money. Services provided to partners would be severely affected by any reduction in their contributions. Without Guildford’s funding, the project would no longer be able to assist the Council, nor indeed survive.

**Yvonne Arnaud Theatre**

The response attaches the Theatre’s service level agreement with the Council, which covers its areas of work and particularly that within the community.