

Report to:	Cabinet member for communities and customers
Date:	14 September 2020
Title:	Voluntary Sector Grants Policy Review
Report of:	Ian Fitzpatrick, Deputy Chief Executive
Cabinet member:	Councillor Johnny Denis, Cabinet Member for Communities and Customers
Ward(s):	All
Purpose of report:	To take forward a review of the Council’s grant policy, as agreed by Cabinet in February 2020, in line with the new corporate plan, with recommendations for potential options being reported to a future meeting of the Cabinet.
Decision type:	Key
Officer recommendation(s):	<p>(1) To agree a consultation exercise to seek views regarding future options on the awarding of grants to voluntary and community organisations, as set out in appendix A.</p> <p>(2) That, following the consultation, further consideration be given to the grants policy at a future meeting of the Cabinet.</p>
Reasons for recommendations:	To enable the views of local voluntary and community groups to be sought ahead of any changes being made to the council’s voluntary sector grants policy.
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1 Introduction

1.1 The council makes funding available to voluntary organisations each year, in line with its Voluntary Sector Grants Policy (appendix 1). The council recognises and highly values the significant contributions that the community and voluntary sector play in delivering services to our residents. Partnership working is a key priority for Lewes District, and the council is committed to funding and supporting voluntary and community organisations across the Lewes District. This provides a cost effective way of delivering some aspects of the council’s objectives.

1.2 At its meeting in February 2020, Cabinet agreed that a review of the current

policy would be undertaken to explore whether the current method for awarding grants was the fairest and most effective, or whether changes should be made to the policy.

1.3 2020/21 marks the second of the council's three year grant cycle. At its meeting in February 2020, Cabinet agreed that any changes to the process for awarding grants would not be implemented until the current three year cycle is completed in March 2022.

1.4 **Current year grant allocations**

Organisation	2020/ 21 grant (£)
Lewes District Citizens Advice	Core Grant 140, 340 (benefits advice) 17,500 (money advice) <u>17,500</u> <u>175,340</u>
3VA	28,000
Action in Rural Sussex	3,500
SCDA – Sompriti	10,000
Lewes District Churches Homelink	11,800
BHT Advice – Universal Credit service	15,000

1.5 The current method of awarding grants does not require an application or assessment process. All voluntary organisation grants are subject to individual grant agreements that cover the specific services funded, with expected outcomes and targets. These provide a mechanism for the council to monitor the organisations' performance through written reporting and review meetings. The agreements specify the amount of funding, what activities the grant can be used for, minimum legal and service requirements, monitoring and evaluation processes. All grant agreements contain clauses enabling review, termination and/or renegotiation of terms, should the need for the service change or to address any performance issues.

1.6 Most district and boroughs offer a community grants programme although there is no fixed model or budget. Eastbourne Borough Council, for example, administers community grants through two streams:

1) A major grant pot £259,500, which is awarded annually on a three year cycle to organisations which support key strategic aims, and:

2) A small grant pot from which grants of up to £5,000 are awarded annually to projects which align with key priorities including equality and sustainability.

Both are coordinated and administrated in house.

1.7 Wealden District Council has a Community Grants Programme through which they award grants of £500 - £3,000 annually from a £20,000 pot. In addition to this they have a Capital Grants Scheme whereby grants of £1,000 - £15,000 are made from a pot of £50,000. Both are coordinated and administrated in house.

2 Consideration of future options

2.1 The council is currently budgeting to award £243,800 in grants each year. In addition, this year an additional short term award of £7.5k has been made to support new Universal Credit claimants (funding from the Flexible Homeless Support Grant has been identified for a three months extension to the current contract).

2.2 In order to make an informed decision around the grant policy, it's important to take account of potential benefits and risks associated with any outcome of the review.

2.3 It is suggested that Cabinet may wish to consider four different options for the future Voluntary Sector Grants Policy;

- a) Maintain the status quo;
- b) Continue to award a proportion of the budget to support core voluntary sector services seen as key and complementary to council services, in three year cycles as 'major grants', whilst introducing a competitive annual bidding process for 'small grants' from the remainder of the budget. The split between major grants and small grants would need to be agreed, but could be, for example, £190k for major grants and £30k for small grants. The criteria for allocation of small grants could be set each year and vary in response to current need.
- c) Award all grants annually through a competitive bidding process as described in b) above.
- d) Award all grants tri-annually (ie once every three years) through a competitive bidding process as described in b) above.

In the case of options b) and c), the additional administrative work involved in running a competitive bidding process would require £10k to be allocated from the overall grants budget towards staffing costs. Should options a) or d) be

favoured, these less frequent tasks could be accommodated within existing staff resources.

- 2.4 Option a) is relatively light touch, with the majority of the work relating to monitoring the delivery of services across the year and implementing new grant agreements annually. This option provides some certainty and security of funding for those groups supported. However, this option does not allow for new groups or organisations to be added to the grant programme.
- 2.5 Introducing a competitive bidding process (as in options b), c) and d) would enable all qualifying community groups and organisations to have a chance to bid for funding. This approach would also enable the council to change grant allocation criteria over time to respond to changing needs in the district. However, this approach – particularly option c) - would provide much less security and certainty for local voluntary organisations.
- 2.6 If either options b), c) or d) are selected, the council would be able to set new priorities in line with its corporate plan, and identify areas which it would like to support through funding. This would also allow for the council to respond to changing need and priorities in the local community.
- 2.7 If it is decided to move to an applications based process, a Member Working Group could be established to consider applications, advise on the setting of priorities and otherwise advise Cabinet on grants matters.

3 Consultation

- 3.1 A set of draft consultation options can be found at appendix 2. If agreed, the consultation would run from mid-September for a period of 12 weeks.

The consultation will include:

- The options being sent to voluntary and community groups across the district
- A new page published on the council website through which people can respond
- Publicised through 3VA's weekly newsletter

- 3.2 Responses to the consultation will be collated and a subsequent report will be presented to Cabinet for consideration.

4 Corporate plan and council policies

- 4.1 Making changes to the voluntary sector grants policy may help support the council's pledge around open and transparent decision making as outlined in the Corporate Plan.
- 4.2 A change to policy may aid alignment with the Corporate Plan pledge to respect

and promote principals of equality, and support the council's equality and fairness policy.

5 Financial appraisal

- 5.1 As set out in section 2.1 of the report, the current budget provision for grants to the voluntary sector is £243,800. Any increase to this amount would require additional funds to be identified

6 Legal implications

- 6.1 [S137 Local Government Act 1972](#) covers the "Power of local authorities to incur expenditure for certain purposes not otherwise authorised"

Extract below, emphasis added for reference:

(3) A local authority may, subject [in the case of a parish or community council,] to the following provisions of this section, incur expenditure on contributions to any of the following funds, that is to say—

- a) the funds of any charitable body in furtherance of its work in the United Kingdom; or*
- b) the funds of any body which provides any public service (whether to the public as a whole or to any section of it) in the United Kingdom otherwise than for the purposes of gain;....*

...(4)The expenditure of a local authority under this section in any financial year shall not exceed the amount produced by multiplying—

- a) such sum as is for the time being appropriate to the authority under [Schedule 12B to this Act], by*
- b) the relevant population of the authority's area*

There are further details about calculating the expenditure within s137, not replicated here, but which it is advised that the council's finance department is familiar with.

7 Risk management implications

- 7.1 Council relationships with current grant recipients may be adversely affected. Some of the options set out in the report would require additional staff investment which could reduce the budget available for grant payments.

8 Equality analysis

- 8.1 A full Equality & Fairness Analysis (EaFA) will be developed alongside the consultation to ensure that views are considered and built into the EaFA. The consultation will be accessible through plain English with alternative formats (including paper copies) and languages available on request.

9 Environmental sustainability implications

9.1 Ideally the support of sustainability in one form or another should be a consideration in all grant awards. If members decide to introduce a competitive bidding process, it is recommended that projects or organisations which promote sustainability would be encouraged and this element used as selection criteria for grant allocation.

10 Appendices

- Appendix 1 – Community Grants Policy
- Appendix 2 – Draft consultation questions