

Committee: Cabinet

Agenda Item

Date: 14 July 2016

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Title: Grants

Portfolio Holder: Cllr Lesley Wells

Key decision: No

Summary

1. The council administers a range of grant funding schemes to support the voluntary sector, charities and community groups.
2. Total funding across the six grant schemes is in the region of £525,000 per year, with more than half of this comprising the Voluntary Support Grant Scheme which provides funding to larger charities and voluntary organisations working in the district.
3. In addition to these schemes, but outside the scope of this report, the council also awarded in 2015/16 an additional £150,000 through the Members New Homes Bonus Scheme and the Saffron Walden Pig Market Charity, making the total given to good causes almost £675,000.
4. With the restructure of the council's Community Partnerships department, responsibility for grants administration has moved into the Leisure and Performance team. A review of processes and practices has been undertaken to establish the council's current approach and consider where improvements can be made.
5. This report contains recommendations to refine processes relating to the grant schemes, including addressing governance issues, but should be viewed as the start of a longer term process to review the way grants are managed and administered by the council and the authority's relationship with the voluntary sector. This review will consider how the council can more effectively target resources at the voluntary sector to both strengthen the sector and assist the council to achieve its corporate objectives.

Recommendations

6. Officers are instructed to develop a new Grants Policy to centralise the various guidance documents that exist, set out how grant funding should be used to support the council's key corporate aims and objectives and the criteria and timetable for awarding grants under the different schemes.
7. The specific recommendations relating to each type of grant are approved as per paragraphs 31, 38, 44, 47, 52 and 56:

Paragraph	Grant Scheme	Recommendations
31	Voluntary Support Grants	From 2017/18 Voluntary Support Grants are offered for a two year rolling period. Applications for the next financial year are made by the end of September of the current financial year, ie. for 2017/18

		<p>applications must be made by 30th September 2016. Budgets can then be set on an actual allocation forecast, not exceeding the level of funding available in 2016/17.</p> <p>Groups making requests for funding present their applications formally to an award panel (see next bullet point). This presentation would focus on how the funding would be spent/utilised over the two year period and support the funding aims identified in the application.</p> <p>A Committee of the Cabinet is established to act as the award panel.</p> <p>Funding will only be considered if applicants can demonstrate how their work will contribute towards the council meeting its corporate objectives.</p> <p>Formal feedback on the outcomes achieved by each organisation (in whole or part) through the grant is submitted within an agreed timescale. Failure to demonstrate the criteria have been met may result in the second year of funding being withdrawn</p>
38	Community Project Grants	<p>The Director Finance and Corporate Services is given delegated powers to approve Community Project Grants in consultation with the Cabinet Member for Communities and Partnerships, except where the application is in the Cabinet Member for Communities and Partnerships' ward, in which case the Cabinet Member for Finance and Administration will fulfil this role.</p>
44	Leisure and Cultural Grants and Sports Grants	<p>The Director Finance and Corporate Services is given delegated powers to approve Leisure and Cultural Grants and Sports Grants in consultation with the Cabinet Member for Communities and Partnerships.</p>

47	Youth Travel Grants	The Director Finance and Corporate Services is given delegated powers to approve Youth Travel Grants.
52	Youth Grants	The Director Finance and Corporate Services is given delegated powers to approve Youth Grants in consultation with the Cabinet Member for Communities and Partnerships. Officers are instructed to further examine this grant scheme in order to ascertain the most appropriate use and bring further recommendations back to Cabinet.
56	Other Grants	The current allocation of funds to these groups is reviewed to ensure that continued support is still appropriate and if so at what level. Recommendations covering these grants, including governance, will be brought back to Cabinet.

Financial Implications

- There are no recommendations in this report which would change the budgeted amount available for grant funding

Background Papers

- The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

Impact

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Communication/Consultation	Major voluntary sector organisations have already been contacted regarding proposed changes to the Voluntary Support Grants scheme. Further consultation will be required to progress changes to grant
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	award schemes in the coming years
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	Formalisation of some decision-making processes, including delegated powers to officers, are proposed in this report

Situation

11. Grants are offered by the council through various schemes to support local charities, voluntary organisations, clubs and individuals for the benefit of the Uttlesford community.
12. This report covers the following six schemes administered by council officers:
 - Voluntary Support Grants
 - Community Project Grants
 - Leisure and Cultural Grants
 - Sports Grants
 - Youth Travel Grants
 - Youth Grants
13. In addition to these six schemes, the Member New Homes Bonus Scheme provides £3,000 annually to each of the authority's 39 councillors to be spent in their ward. This scheme has been the subject of previous Cabinet consideration and is not covered in this report. The council is also the sole trustee of the Saffron Walden Pig Market Charity and income received by this charity is awarded to local groups. For 2015/16 the amount of £33,749 was awarded to the Citizens Advice Bureau.
14. Invitation to apply for community and voluntary grants is offered via the council's website, local press releases, directly through council members and through the Council for Voluntary Service Uttlesford. The administration of all grant applications has recently been transferred to the Leisure and Performance department with the exception of Youth Grants which recently transferred to the Assistant Chief Executive – Legal service area. Previously all grants were managed by the Community Partnerships Team.
15. The council does not currently have a Grants Policy to support its strategic aims with regards to grant allocation and management. Officers believe it would be of benefit to have such a policy in place.

16. Current grants processes have been reviewed by the Leisure and Performance Manager and Assistant Director of Corporate Services. It has become apparent through this work that there is a need for formal confirmation of some aspects of decision-making. Recommendations are set out in this report.
17. In addition to addressing these governance matters, officers have identified specific changes to the key grant scheme – the Voluntary Support Grants – in order to better reflect the council’s projected financial position in coming years, ensure grant applicants are providing services which help the council meet its corporate objectives and provide them with more time between application decision and the start of the new financial year
18. The council’s grant funding provision is generous, with a total revenue budget for 2016/17 of £414,120, plus £110,000 in the Capital budget programme.
19. This table shows Uttlesford’s total revenue budget and its spending on revenue community grants in the last audited year (2014/15) compared to neighbouring or similar sized councils where the information could be found:

Authority	Voluntary Sector Grants (£)	2014/15 Total Revenue Budget (£)	% spend
Maldon	84,217	8,530,000	1.0%
East Herts	327,221	18,887,000	1.7%
Castlepoint	133,886	10,720,000	1.2%
Braintree	337,000	14,653,000	2.3%
Uttlesford	351,355	8,207,697	4.3%

20. This initial review of grants should be viewed as the beginning of a wider analysis of the council’s relationship with the voluntary sector. Given the predicted financial impact of changes to local authority funding in coming years, it will be necessary to examine both the amount of money and the way the council allocates it to ensure grant funding is being used for the maximum possible benefit in delivering key corporate objectives and meeting the needs of the community.
21. Matters such as the sustainability of services provided by the voluntary sector and opportunities to use council grants for match-funding will become of increasing importance. During the proposed two-year period for the new Voluntary Sector Grants (see below) officers will further review all grant funding schemes.
22. The following sections of this report detail the six main grants and make specific recommendations for each of them.

Voluntary Support Grants

23. The council’s largest budgetary commitment for grants is the Voluntary Support Grants scheme. This has previously been managed on a three year basis. Applications are made by voluntary groups in the district outlining their funding requirements for the three year period. Applications are reviewed to ensure specific criteria will be met before being approved by Members. Recipients are requested to submit quarterly

'balanced scorecards' containing information on KPIs developed for each organisation. These are reviewed to ensure adherence to the scheme. The groups receiving the grants have then been invited to update Members regarding achievement of their funding objectives at the end of each financial year during the grant period. There is no funding limit set for individual applications and awards under the previous three year scheme have ranged from £3,000 a year to £115,000 a year.

24. The latest three year period ran from 2013/14 to 2015/16. Due to this review, it was agreed that an additional year's funding would be awarded to each of the organisations for 2016/17. Therefore the new grant period is due to begin in April 2017. The budget for Voluntary Support Grants in 2016/17 is £281,927 and there are 11 charities and voluntary organisations which receive it. These include the Uttlesford and East Herts Citizens Advice Bureaux, the Volunteer Centre Uttlesford, Uttlesford Community Travel, Support 4 Sight, the Council for Voluntary Service Uttlesford and the Volunteer Centre Uttlesford. See Appendix A.
25. The council holds a contingency budget for Voluntary Support Grants. The original budget for 2015/16 was £107,740, of which £50,000 was allocated to Youth Grants (see separate section below). This contingency fund was established for use in instances where an applicant's circumstances may have changed during the funding period and additional funds were being requested, or for new applications approved during the scheme period due to exceptional circumstances.
26. During the review officers identified areas in the process which it is recommended the council addresses.
27. The council's Medium Term Financial Strategy (MTFS) predicts a £700,000 shortfall in funding in 2018/19 due to reductions in core funding. Although the MTFS contains assumptions about changes in funding, for example with regard to New Homes Bonus, the council is not currently in a position to commit to high levels of long term funding. Therefore it is proposed that the period for the next round of Voluntary Support Grants is restricted to two years. However, it is also proposed to make the scheme a rolling programme to help organisations plan for the future.
28. The end of year presentation evening by grant recipients, while providing an opportunity for organisations to network, does not necessarily add value to the process. The decision whether to award grants has in the past been based on paper applications with no opportunity for Members to directly question the applicants before deciding whether to award grants.
29. Previously, Voluntary Support Grant decisions have been made at the end of a calendar year. There would be benefit in bringing the application and decision period forward in the council year. This would enable the council to align the grants process with its budget setting processes and the organisations making applications would have more notice before the start of the next financial year as to whether or not their application had been successful.
30. Previously grants have been approved by a panel of Cabinet Members. In order to formalise this arrangement, a Committee of the Cabinet should be established to make these decisions.
31. Recommendations for the Voluntary Support Grants process:

- From 2017/18 Voluntary Support Grants are offered for a two year rolling period.
- Applications for the next financial year are made by the end of September of the current financial year, ie. for 2017/18 applications must be made by 30th September 2016. Budgets can then be set on an actual allocation forecast, not exceeding the level of funding available in 2016/17.
- Groups making requests for funding present their applications formally to an award panel (see next bullet point). This presentation would focus on how the funding would be spent/utilised over the two year period and support the funding aims identified in the application.
- A Committee of the Cabinet is established to act as the award panel.
- Funding will only be considered if applicants can demonstrate how their work will contribute towards the council meeting its corporate objectives.
- Formal feedback on the outcomes achieved by each organisation (in whole or part) through the grant is submitted within an agreed timescale. Failure to demonstrate the criteria have been met may result in the second year of funding being withdrawn

Community Project Grants

32. The Community Project Grant Scheme is for larger planned projects within the community such as the development of land for recreational purposes, children's play areas or refurbishment of facilities. Funding amounts are offered from £100 up to a maximum of £3,500.
33. The Community Project Grants are currently funded through the council's Capital Programme and are decided on an annual basis. Applicants have three months from the start of the new financial year to make applications.
34. Requests for funding are considered by the Cabinet Member for Communities and Partnerships and final approval given by the Leader of the Council.
35. Spend in the previous years has been £80,558 (2014/15) and £74,131 (2013/14). The unaudited spend 2015/16 is £130,649. This is against an annual budget of £110,000. However, because this scheme is funded from Capital, the grant awards are not limited to in-year spend and therefore may include an element of funding rolled over from one year to the next. See Appendix B.
36. During the review, senior finance officers expressed a view that this scheme should no longer be funded from Capital. Therefore from 2017/18 the Community Project Grants budget will transfer to the revenue budget which contains the funds from the other grants schemes. This will not have an impact on applicants.
37. Officers do not propose making any other changes to the way this scheme is administered except with regard to formalising decision-making arrangements.
38. It is recommended that for the Community Project Grants process:
 - The Director Finance and Corporate Services is given delegated powers to approve Community Project Grants in consultation with the Cabinet Member for Communities and Partnerships, except where the application is in the Cabinet Member for Communities and Partnerships' ward, in which case the Cabinet Member for Finance and Administration will fulfil this role.

Leisure and Cultural Grants and Sports Grants

39. Leisure and Cultural grants are available to support talented individuals, non-profit-making organisations and local charities providing services to/for the community and/or for the purpose of assisting the arts and cultural clubs. Sports grants are designed for sporting organisations and individuals who want to develop further by purchasing new equipment, undertaking training or delivering courses in the local community.
40. Both grant schemes are considered on a monthly basis and applications for funding can be no larger than £500. Each applicant is only permitted to apply for one grant each year. Applicants must have match-funded the grant but not with any other sources of money received from Uttlesford District Council, such as through the ward member New Homes Bonus scheme.
41. These two grants are administered on a single budget line totalling £12,250 a year, increased from approx. £9,500 in 2014/15. Despite the increase in available funding, applications have not increased and annual spend has been between £8,000 and £8,500 for the last two financial years, split evenly between both grant types. See Appendix C.
42. The schemes are currently administered by the Community Development Officer in consultation with the Cabinet Member for Communities and Partnerships.
43. Officers do not propose making any changes to the way this scheme is administered except with regard to formalising decision-making arrangements.
44. It is recommended that for the Leisure and Cultural and Sports Grants process:
 - The Director Finance and Corporate Services is given delegated powers to approve Leisure and Cultural Grants and Sports Grants in consultation with the Cabinet Member for Communities and Partnerships.

Youth Travel Grants

45. Youth Travel Grants offer the opportunity for groups or clubs to apply for funding of up to £200 for the hiring of transport or cost of fuel when carrying members of the organisation. Applications are limited to one per year per organisation. The £1,000 budget for this grant currently sits within the Community Safety budget although the administration of the scheme has recently transferred to the Community Development Officer and the budget will be transferred into the corporate Grants budget for 2017/18. The budget was fully spent in 2015/16. See Appendix D. Due to the small sums of money involved it is not considered necessary for Cabinet Member involvement in this scheme.
46. Officers do not propose making any changes to the way this scheme is administered except with regard to formalising decision-making arrangements.
47. It is recommended that for the Youth Travel Grants:
 - The Director Finance and Corporate Services is given delegated powers to approve Youth Travel Grants.

Youth Grants

48. The Youth Grants scheme supports organisations working with young people in the district, such as youth clubs, sports groups and Scouts/Guides. The budget of £50,000 currently sits in the Contingency grants budget line. There is a notional split in the

funding of £10,000 to support new clubs and £40,000 to support existing clubs. See Appendix E.

49. Administration of the scheme has recently transferred to the Assistant Chief Executive – Legal service area following the redistribution of functions previously undertaken by the Community Partnerships Team. As such it is the only one of the six grant schemes covered in this report not administered by the Leisure and Performance Team. Application paperwork may not be consistent with other grant schemes and there has previously been little Member involvement in considering awards, which range from £1,000 to £7,500. Therefore officers propose to transfer administration to the Community Development Officer so the council has a consistent approach to grants administration. In addition, decision-making arrangements need to be formalised.
50. Currently, the Youth Grants scheme can be used by sports clubs working with young people, allowing them to access sums of money larger than the £500 limit for the Sports Grants. However, having reviewed the council's grants schemes, officers are of the view that it may be better to manage all sports-related requests for funding through a single grant by transferring part of the Youth Grants budget to Sports Grants, increasing the maximum grant level for Sports Grants and limiting applications for Youth Grants to non-sports groups.
51. Officers will need to further analyse patterns of applications and spending in order to establish the most appropriate way to achieve this.
52. It is recommended that for Youth Grants:
 - The Director Finance and Corporate Services is given delegated powers to approve Youth Grants in consultation with the Cabinet Member for Communities and Partnerships.
 - Officers are instructed to further examine this grant scheme in order to ascertain the most appropriate use and bring further recommendations back to Cabinet.

Other Grants

53. In addition to the six grants schemes covered by this report, there are two standalone grants the council makes to individual organisations.
54. These are the Thaxted Festival (£3,000 funding per year) and the Dunmow Maltings/Museum (£3,750 per year). The original approval for grants to be given to these organisations was given by Members in 2007 and in 2013 Cabinet expressed a wish to maintain them.
55. There has been no formal review of these grants and officers consider it appropriate to consider them further.
56. Recommendation for Other Grants:
 - The current allocation of funds to these groups is reviewed to ensure that continued support is still appropriate and if so at what level.
 - Recommendations covering these grants, including governance, will be brought back to Cabinet.

Risk Analysis

57.

Risk	Likelihood	Impact	Mitigating actions
Governance arrangements are not sufficiently robust	1	3	The proposed changes formalise existing processes, improving accountability, value for money and transparency
Major grant funding awards do not contribute towards the council's objectives	2	3	Additional application steps outlined in this report will improve the decision making process

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.