

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader's Portfolio Holder Meeting
AUTHOR/S: Chief Executive / Partnerships Officer

2 July 2009

GRANTS TO VOLUNTARY ORGANISATIONS FROM 2010-11

Purpose

1. To propose a number of amendments to the Council's scheme of Grants to Voluntary Organisations, which are required in order to:
 - (a) Ensure the Council's priorities are met when funding third sector agencies
 - (b) Ensure transparency when funding third sector agencies
 - (c) Simplify the application process for third sector agencies
 - (d) Ensure Compact compliance wherever possible throughout the grant-giving process
- This is not a key decision because the principles of the grant funding will remain unchanged.

Background

2. In the financial year 2009-10 the Council allocated £156,130.00 in total to the Council's scheme of Grants to Voluntary organisations. £13.00 remains unallocated.
3. £15,450.00 was allocated through small, one-year grants of up to £3000.00 for the 2009-10 financial year.
4. £140,667.00 was allocated for the third year of three-year funding agreements which are currently divided into two sub-categories with separate budgetary cost codes:
 - (a) Funding agreements between the Council and advice-giving organisations such as Citizen's Advice Bureaux and Advice For Life (totalling £92,220.00).
 - (b) Funding agreements between the Council and other third sector service providers (totalling £48,447.00).
5. Within the small grants allocation, priorities for funding can change annually dependent on the Council's priorities. The funding allocated to three-year agreements has been done so according to priorities set several years ago which need to be reviewed and, if necessary, revised for the coming three-year period (2010-13).
6. Historically, the same organisations have been funded for a number of years across all categories within this scheme.
7. There has been no systematic, widespread publication of the scheme and its criteria.
8. There is currently no ring-fenced sum for allocation to three-year funding agreements or small grants within the total budget. The small grants have historically been allocated using the remaining funds after funding agreement allocation.
9. A number of departments within the Council provide grants to the voluntary sector (e.g. Conservation, New Communities) and this review seeks to ensure that the

schemes are better co-ordinated, that duplication of funding and of Council resource is avoided and that the schemes are aligned wherever possible.

Policy Context

10. Contract, funding agreement and grant funding schemes have been under greater scrutiny since the 2006 introduction of EU Procurement Procedures and, while these may not affect the grant scheme in question, they and other good practice guidance require the Council to review the processes that are followed in allocating grants to voluntary organisations.
11. The Council's Constitution makes a number of stipulations for contracting with external parties. These include various references to fairness in allocating public contracts and providing clear audit trails of decisions, agreements and contracts.
12. Both the LAA and the district Sustainable Community Strategy state a commitment to working to support and develop a thriving third sector under National Indicator 7.
13. The Council is signed up to the Cambridgeshire Compact and it's underpinning Funding and Commissioning Code of Conduct which comprises of a number of undertakings for statutory bodies regarding the provision of grants and the commissioning of services, including:
 - (a) Working towards implementing three-year Funding Agreements when these represent best value, recognising that the length of funding enables better business planning
 - (b) Recognising the need for short term funding in some instances
 - (c) Publishing the details about each grant scheme in a timely manner to allow the sector sufficient time to prepare and submit high quality applications
 - (d) Clearly stating what the scheme is trying to achieve, what information is needed, how long it will take, what the process is and whom to contact for more information
 - (e) Consulting the widest range of provider organisations...within the bounds of legal and procurement constraints and requirements, with regards to services and priorities.
 - (f) Being open about its needs, priorities, targets and motivations as well as being willing to consider changing them in the light of compelling evidence.
14. By signing up to the Compact, the Council is committed to working with other agencies wherever possible to develop shared processes for funding and monitoring the third sector.

Small Grants

15. Small grants are made available annually to voluntary organisations to a maximum of £3000.00 per organisation.
16. Grants are awarded against the Council's agreed priorities for that year and this should wherever possible remain the case to ensure transparency as well as flexibility year-on-year.
17. It is suggested that a number of changes could be made to this element of the scheme, including:

- (a) Ensuring the funding is promoted publicly and widely, ensuring transparency of process and equality of opportunity within the voluntary sector.
- (b) Reviewing the application criteria to ensure the scheme is as equitable and inclusive as possible.
- (c) Revising the application forms to ensure they are comprehensive (the Council should receive all necessary information in order to allocate the funding fairly) yet simple enough for small, volunteer-led organisations to complete.
- (d) Giving appropriate support and guidance to organisations in preparation for submission of applications, and setting up a process for this.
- (e) Developing robust and consistent assessment criteria, which will ensure decisions are made appropriately and based on merit. This should include a panel of Council Officers to ensure an unbiased result.
- (f) Implementing monitoring arrangements that enable the Council to assess the outcomes and value for money of the grant, whilst remaining commensurate to the grant given and not onerous to fulfil.
- (g) Creating appropriate supporting documentation that outlines the commitments and undertakings of both parties relating to the funding. This documentation will not be legally binding.

18. For the purposes of consistency and transparency, small grants should be allocated based on a predetermined sum rather than a variable remainder after funding agreements are allocated. Based on allocations from previous years, it is suggested that this should stand at a minimum of 10% of the total budget, plus inflationary increases where appropriate.

19. For the purposes of consistency and transparency, a timeline should be set for this element of the scheme as follows:

Activity	Timescales
Notification to existing grant recipients that the scheme has been revised	August 2009
Promotion and publicity for new scheme commences	September 2009
Scheme launches	October 2009
Scheme closes	December 2009
Officer decision-making panel meets	January 2010
Organisations notified of the panel's decisions	February 2010
Grants paid	April 2010

20. Decisions regarding small grants (sum available, organisations awarded etc) will be made prior to budget finalisation in February 2010 and would need to be upheld throughout this budgeting process.

21. The above considerations would result in a scheme with timescales and monitoring requirements aligned to those of other local District Councils and the County Council ensuring Compact compliance and equitability.

Three-Year Funding Agreements

22. Three-year funding agreements are generally for larger amounts than small grants and last for three years at a time, plus inflationary increases where appropriate.

23. It is suggested that the revised scheme incorporates the actions in Point 17 above.
24. For the purposes of consistency and transparency, the Council would need to review and agree its three-year priorities prior to the launch of the fund. Based on priorities from previous years and the Council's existing Aims, Approaches and Actions, including the forthcoming Community Transport Plan, it is believed that four headings would be appropriate, as follows:
- (a) Citizens Advice (advice and guidance to individuals).
 - (b) Community Transport (including grants to community transport, voluntary car schemes etc).
 - (c) Infrastructure Support (support to voluntary organisations).
 - (d) Specialist Services (themed frontline services including, but not limited to, disability, care, counselling, young people, vulnerable adults etc).
25. For the purposes of consistency and transparency, three-year funding agreements should be allocated based on a predetermined sum. Based on allocations from previous years, this should stand at a minimum of 90% of the total budget, plus inflationary increases as appropriate and, within this sum, approximate allocations to the four headings as follows:
- (a) Citizens Advice – 65% (c. £91,300)
 - (b) Community Transport – 5.5% (c. £7,750)
 - (c) Infrastructure Support - 12% (c. £16,800)
 - (d) Specialist Services – 17.5% (c. £24,600)
26. For the purposes of consistency and transparency, a timeline should be set for this element of the scheme as for the small grants scheme in Point 19 above, which includes a minimum notice period of 3 months for organisations in the final year of their existing three-year funding agreements.
27. The only exception to the above timetable is that recommendations relating to grants over £5,000 per annum must come to the Portfolio Holder's meeting in January 2010 for discussion and approval.
28. All decisions regarding three-year funding agreements (sum available, headings, organisations awarded etc) will be made prior to budget finalisation in February 2010. These decisions would need to be upheld throughout this budgeting process and for the three-year period (2010-13).
29. The above considerations would result in a scheme with timescales and monitoring requirements aligned to those of other local District Councils and the County Council ensuring Compact compliance and equitability.

Options: Small Grants

30. Option 1 - to maintain the status quo regarding Grants to Voluntary Organisations.
31. Option 2 - to maintain the existing grants scheme and the total funding available (minimum £156,130 plus inflationary increases where appropriate) but to redefine it, implementing a combination of one or more of the changes detailed above, relating to:
- (a) Points 16 & 17: changing funding priorities annually & reviewing the process
 - (b) Point 18: ring-fencing the sum available for small grants

- (c) Point 19: implementing a timeline for the funding scheme
32. Option 3 - to maintain the existing grants scheme and the total funding available (minimum £156,130 plus inflationary increases where appropriate) but to redefine it, implementing *all* of the changes detailed above to ensure clarity, consistency and transparency.

Options: Three-Year Funding Agreements

33. Option 1 - to maintain the status quo regarding Grants to Voluntary Organisations.
34. Option 2 - to maintain the existing grants scheme and the total funding available (minimum £156,130 plus inflationary increases where appropriate) but to redefine it, implementing a combination of one or more of the changes detailed above, relating to:
- (a) Point 23: reviewing the process
 - (b) Points 24 & 25: ring-fencing the sum available and agreeing the priorities for the next three years
 - (c) Point 26: implementing a timeline for the funding scheme
35. Option 3 - to maintain the existing grants scheme and the total funding available (minimum £156,130 plus inflationary increases where appropriate) but to redefine it, implementing *all* of the changes detailed above to ensure clarity, consistency and transparency.

Implications

36. Financial	<ul style="list-style-type: none"> ○ While the Council has moved towards three year funding agreements with many of the voluntary organisations it funds, the Compact and other good practice shows that short-term, small grant funding is still required by voluntary organisations and that the criteria and monitoring requirements should be commensurate to the grant sum. ○ Agreement with the proposed changes to small grants would, as outlined above, require financial decisions to be upheld as budgets are confirmed in February for 2010-11. Decisions relating to three-year agreements would need to be upheld until 2013.
Legal	<ul style="list-style-type: none"> ○ Documentation pertaining to small grants and three-year funding agreements would not be legally binding
Staffing	<ul style="list-style-type: none"> ○ Changes to the scheme of Grants to Voluntary Organisations can be implemented within existing staffing arrangements
Risk Management	<ul style="list-style-type: none"> ○ Compact compliance, transparency and aligning South Cambridgeshire processes to those used by other local District and County Councils should reduce the risks associated with commissioning and providing small grants to the third sector. ○ Once agreed, any change or reversal of these budgetary decisions could affect the reputation of this Council as a reliable funder and could leave voluntary organisations in a precarious situation, unable to find alternative funding.

Equal Opportunities	o Compact compliance and improved promotion of small grant funding will improve transparency and provide consistency, co-ordination and fairness.
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Consultations

- 37. A report on Grants went to the Scrutiny and Overview committee on 2 April 2009 where it was agreed a review of grants was necessary. It was commented that the current scheme was not open and transparent. The proposals outlined in this paper constitute part of that review.
- 38. In reviewing the scheme of Grants to Voluntary Organisations, the Council's Partnerships Officer has consulted County and District colleagues who are in support of adopting the 3rd option in each case. These decisions would bring clarity, consistency and transparency to the South Cambridgeshire District Council scheme and align it to those run by other local councils.

Effect on Strategic Aims

39.	Commitment to being a listening council, providing first class services accessible to all.
	Small grants and three-year funding agreements can be used to commission services in support of the Council's strategic aims where it is considered best value to do so. The Council's aims can be better met by aligning this grant scheme to the commitments made in the Constitution and by ensuring Compact compliance.
	Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.
	See above
	Commitment to making South Cambridgeshire a place in which residents can feel proud to live.
	See above
	Commitment to assisting provision for local jobs for all.
	See above
	Commitment to providing a voice for rural life.
	See above

Recommendations

- 40. That Option 3 relating to small grants is supported.
- 41. That Option 3 relating to three-year funding agreements is supported.

Background Papers: the following background papers were used in the preparation of this report:

- The Cambridgeshire Compact
- The South Cambridgeshire District Council Constitution (Contract Regulations)

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