

ITEM NO:4

DECISION-MAKER:	CABINET		
SUBJECT:	2010/11 GRANTS TO VOLUNTARY ORGANISATIONS		
DATE OF DECISION:	21 JUNE 2010		
REPORT OF:	CABINET MEMBER FOR HOUSING AND LOCAL SERVICES		
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STATEMENT OF CONFIDENTIALITY

Not applicable

SUMMARY

The voluntary and community sector plays a vital role in Southampton strengthening and representing communities, involving volunteers, bringing resources into the city and delivering millions of pounds worth of council contracted services. The Council supports this work with over £2M worth of grants to voluntary organisations. This report gives an update on the work the Council has been doing reviewing this support and proposes grant recommendations for the Running Costs and New Projects Funds. As a result of the review these grants schemes were widely promoted, resulting in an increase in the number of applications received. The recommendations include supporting a number of new applications and organisations.

RECOMMENDATIONS:

Having considered the Community Strategy (City of Southampton Strategy), particularly where grants are authorised pursuant to S.2 Local Government Act 2000 in pursuance of the council's priorities, the Cabinet is requested:

- (i) To approve the grant recommendations set out in the attached Appendix 1.
- (ii) To approve an increased allocation of £100,000 of the budget to fund the Community Chest small grants scheme.
- (iii) To delegate authority to the Head of Stronger Communities and Equalities Team following consultation with the Cabinet Member for Housing and Local Services to allocate Community Chest grants in two rounds during the year.
- (iv) To delegate authority to the Executive Director of Neighbourhoods following consultation with the Cabinet Member for Housing and Local Services and the Executive Director of Resources to:
 - determine any outstanding applications for grants for 2010/11 and to authorise grants to applicants subject to remaining within approved budgets
 - develop criteria for the award of three year funding in 2011/12
 - do anything necessary to give effect to the review and allocation of grants for 2010/11

- (v) To approve the use of general fund contingencies up to a maximum of £100,000 in 2010/11 to fund recommendations in this report.

REASONS FOR REPORT RECOMMENDATIONS

1. The voluntary and community sector plays a vital role in Southampton strengthening and representing communities, involving volunteers, bringing resources into the city and delivering millions of pounds worth of council contracted services. The Council supports this work by awarding over £2M in grants to voluntary organisations. As many of these grants contribute to salaries and running costs they are usually awarded in March each year in for the following financial year.
2. However, as these grants have tended to go to the same organisations and there has been little scope to support new groups and activities, Cabinet approved:
 - A Review of Grants to Voluntary Organisations on 16.3.2009
 - Review recommendations subject to 12 week consultation on 27.7.2009
 - Final post consultation amended recommendations on 23.11.2009.
3. As a result of the review recommendations 2009/10 grants were continued into the first quarter of 2010/11 and applications invited from currently funded and new organisations for grants for the remaining 9 months of 2010/11 to enable full consultation to take place.
4. The recommendations are made in this report following appraisal of each of the 77 applications received. As half of these applications are from organisations that have received grants towards salaries and running costs for a number of years it is essential to the continuation and stability of their service that a decision is made now on the level of grant they will receive from 1st July 2010.

CONSULTATION

5. Consultation in respect of the review is detailed in the report to Cabinet on 23.11.2009. The recommendations in this report have been made following consultation with Cabinet Members and officers in the relevant service areas.
6. Throughout the review and 2010/11 application process organisations currently in receipt of grants have been informed of the possibility of their grants being reduced or discontinued. Where a recommendation to that effect has been made consultation is underway with the organisation on the impact of the recommendation. Cabinet will be updated verbally on the outcome of that consultation to enable a properly informed decision to be made. Applicants have also been informed of the dates of the decision and made aware of the process for making representations in writing.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. As applications exceed the budget by over £1M various options have been considered to balance the needs of currently funded applicants and new applicants. The option of
 - continuing to fund currently funded organisations and activities at the same level - rejected as it would leave insufficient budget to support new groups and activities,

- reducing all currently funded organisations by the same percentage - rejected as it does not take account of council priorities and individual organisations circumstances and capacity to absorb the reduction.

DETAIL

8. The main recommendations arising from the Review of Grants to Voluntary Organisations approved by Cabinet included
- the continuation of 2009/10 grant awards with no inflationary increase into the first quarter of 2010/11 to enable full consultation to take place,
 - an amended application timetable for grants for the remaining 9 months of 2010/11 (application forms to be completed January-March 2010 and Cabinet approval sought for grants for the remaining 9 months of 2010/11 in June 2010),
 - the revised Grants Criteria attached at Appendix 2 as a basis for allocating grants in 2010/11 and beyond,
 - advertising the annual revenue grants scheme and encouraging new applications,
 - three year funding from 2011/12, where appropriate and for a limited number of organisations,
 - the continued use of grants as well as contracts to fund voluntary organisations,
 - the establishment of a centrally administered single corporate grants budget including all reserves and small grants schemes from 2010/11,
 - revised grant conditions, payment instalments and monitoring.

Continuation of 2009/10 grants into Q1 of 2010/11

9. As agreed by Cabinet on 27th July 2009 currently funded organisations received grants for the first quarter of 2010/11 based on their 2009/10 grants. This was to enable full consultation to take place on the review and the impact of any potential reduction in funding.

Running Costs and New Projects Funds

10. In January 2010 both currently funded and new organisations were invited to submit applications for grants for the remaining 9 months of 2010/11 based on the new priorities and revised criteria from the following schemes:

Running Costs Fund for a contribution to their core running costs (usually linked to specific posts or items of expenditure),

New Projects Fund for time limited project grants.

11. By the 31st March closing date the schemes had succeeded in attracting 77 applications - approximately half for currently funded work and half for new work.

	Number	£
Running Costs Fund	59	2,024,001
New Projects Fund	18	596,298
Total	77	2,624,049

This is almost twice as many as in previous years and is £1,036,708 in

excess of the available budget of £1,587,341 detailed in paragraph 15 below.

Community Chest

12. In addition a revised Community Chest one-off grants scheme was launched in April 2010 with an increased individual grant application limit of £5,000 (formerly £500). This increase was in response to consultation feedback from the voluntary sector so that small groups and projects could be more effectively supported through grant aid. As in previous years approval is sought to delegate authority to the Manager of the Stronger Communities and Equalities Team following consultation with the Cabinet Member for Housing and Local Services to allocate Community Chest grants in two rounds during the year. A list of grants awarded under delegated powers in 2009/10 is attached at Appendix 3 for information.
13. This scheme has also been successful in attracting more applications with 62 totalling £206,006 for the first round. This too is twice as many as in previous years and excludes the 14 applications to the Running Costs and New Projects Funds where the recommendation is to refer them to Community Chest. To help meet some of this increased demand it is recommended that £100,000 of the grants budget is allocated for Community Chest grants. This is an increase on previous years.

Corporate Grants Budget

14. As agreed by Cabinet on 23 November 2009 a single corporate grants budget including all reserves and small grants schemes has now been established for 2010/11 and beyond within the Housing and Local Services Portfolio. In addition grants are allocated from two other budgets – the Dedicated Schools Budget and the Housing Revenue Account. To arrive at the budget available to allocate for the above applications this total budget must be reduced by the £494,259 already paid in grants for the first quarter of 2010/11 and by £100,000 for Community Chest – giving a total budget as follows.

2010/11 Budget	£	£
Corporate grants budget	2,056,100	
Dedicated Schools Budget (2009/10)	105,900	
Housing Revenue Account (2009/10)	19,600	
Total		2,181,600
Minus		
Quarter 1 Payments	494,259	
Allocation for Community Chest	100,000	
Total		594,259
Available budget for 9 months		1,587,341

Assessment

15. The 77 applications received for the Running Costs and New Projects Funds have been rigorously assessed by staff from relevant service areas across the Council against the new priorities and revised criteria in Appendix 2 attached. The detailed Appraisal Forms form part of the background documents to this report.
16. With applications exceeding the budget by over £1M it is clearly not possible to meet all expectations and it has been a challenge to arrive at the

recommendations in the attached Appendix 1 that support both existing and new work in line with Council priorities and available resources. Where recommendations are made for less than applied for further discussion will be required on the targets of those organisations.

Recommendations for Running Costs Fund Grants

17. Running Costs grants are recommended for six new applicants - **Solent Sky, Southampton Diving Academy, Communicare, City Reach Youth Project, Friends of Down to Earth** and **Fairbridge Solent**.
18. For the majority of organisations currently in receipt of grants from this budget a standstill Running Costs grant at the same level as 2009/10 is recommended. In the case of **Eastpoint Centre** this is on the understanding that this will be the last year of grant funding as it is anticipated the new Centre being built will be self-sustaining.
19. For three organisations currently in receipt of grants from this budget – **Southampton Voluntary Services, Training for Work in Communities and Southampton Advice and Representation** – it is recommended that a grant of less than that applied for is considered on the basis that grant funding is finite and it is considered that the Council's priorities are better served by funding a broader spectrum of diverse organisations. This recommendation is subject to assessment of the likely impact and more information will be presented verbally to Cabinet on 21st June to enable a fully informed decision to be made.
20. In only one case – **Shopmobility** – it is proposed that the grant ceases at 31st December 2010 on the basis that it duplicates the current provision at West Quay shopping centre and therefore does not provide value for money or good use of resources. The grant award for the period up to 31 December 2010 is £26,887 which maintains 2009/10 funding levels until that date. This recommendation is subject to assessment of the likely impact and more information will be presented verbally to Cabinet on 21st June to enable a fully informed decision to be made.
21. No Running Costs grants are recommended for four new applicants - **a space, Wessex Cancer Trust, Hampshire Youth Options** and **Harmony Coaching and Mentoring Avenues**.
22. It is recommended that **Southampton Tourist Guides Association** and **Solent Sea Rescue** are funded from service budgets as in previous year and are therefore not included in the figures in this report

Recommendations for New Projects Fund Grants

23. New Projects grants are recommended for four new organisations - **Saints in the Community, Southampton Women's Aid (Children's Refuge Worker), The Prince's Trust** and **whomadeyourpants?**.
24. No New Project grants are recommended for **a space, Art Asia, SOCO Creative Hub, Hampshire Deaf Association, Hampshire Youth Options, Harmony Coaching and Mentoring Avenues, The Rainbow Project** and **Women's Wisdom**.
25. It is recommended that the application from **Aeronautica in Southampton** is referred to relevant officers for consideration as a capital project.

Referrals to Community Chest

26. It is recommended that all new applications where the grant requested for 9 months is under £10,000 together with the two larger applications from **Isizwe Sakwetha** and two applications from currently funded organisations – **Hampshire Badminton Association** and **Southampton Trampoline Club** – are referred to Community Chest for consideration on the basis that the maximum award for Community Chest has been increased to £5,000 and it is more appropriate to consider these applications as part of Community Chest rather than the Running Costs and New Projects Funds. Where recommendations are made for grants under £10,000 from the Running Costs Fund it is because they are largely funded from the Dedicated Schools Grant element of the budget which can only be used to fund school pupil related activities.
27. It was originally intended that an element of the budget would be retained for a second round of New Project Fund grant applications. However as the budget is already oversubscribed, rather than turn down good applications now for the sake of re-advertising, this report makes recommendations for the total budget leaving nothing in reserve for a second round.

Three Year Funding

28. In November 2009 Cabinet approved that where appropriate and for a limited number of organisations the council enters into Three Year Grant Funding Agreements from 2011/12. It is recommended that authority to develop criteria for Three Year Grant Funding is delegated to the Executive Director of Neighbourhoods following consultation with the Cabinet Member for Housing and Local Services.

Appeals Process

29. During consultation on the Review of Grants to Voluntary Organisations the possibility of a grants appeals process was raised. Consideration of this was delegated to the Executive Director of Neighbourhoods following consultation with the Cabinet Member of Housing and Local Services. Research found few other local authorities with separate grants appeals processes. Grant applicants have a number of opportunities to make representation on grant decisions and legal processes already exist for challenging a decision of the executive. The executive director of neighbourhoods has therefore determined that a separate appeals process is not appropriate.

2011/12 Grants

30. The usual annual grant application timetable will be resumed for 2011/12 and application forms will be available later in the summer.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

31. None

Revenue

32. The recommendations in this report amount to £1,675,723 which is £88,382 in excess of the available budget of £1,587,341. Approval will be sought at Council in July to carry forward £59,900 from 2009/10 which was the underspend on the grants budget in the Housing and Local Services portfolio in that year. In the meantime it is recommended that the shortfall is funded

from general fund contingencies up to a maximum of £100,000. The final draw on the contingency will depend on the outcome of the further discussions with the four organisations listed in paragraphs 19 and 20 which is being reported verbally to Cabinet on 21 June and approval of the carry forward request.

Property

33. No immediate property implications are raised by this report. If, through the development of a grant supported initiative, a property issue is generated it will be subject to detailed consultation in the usual way.

Other

34. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

35. The legal powers under which grants are made are listed in Appendix 4 and shown against the grant recommendations for each organisation in the Schedule of Recommended Grants for 2010/11.
36. Section 2 of the Local Government Act 2000 ('the power of well-being') gives the council a general grant making power. Section 2 states that the council may do anything for the promotion or improvement of the economic, social or environmental well-being of its area. The power explicitly permits the incurring of expenditure and the giving of financial assistance to any person, including the giving of grants and loans. The power of well-being is a power of first resort and may be used even where another power exists to do the same thing. The power of well-being is subject to any express restrictions made in any other legislation and may not be used to circumvent restrictions.

Other Legal Implications:

37. The Council is mindful of case law established through the judicial review of Haringey Council in 2000, Leicester City Council in 2004 and Ealing Borough in 2008. Accordingly, the Council follows four main principles during the annual revenue grants process, namely timely and meaningful consultation with voluntary organisations, with a clear explanation of proposals and an open, transparent, corporate, co-ordinated approach. Decision makers must be satisfied that consultation with affected organisations has been adequately carried out and that any notice period given before the implementation of any reduction in grant is adequate and reasonable.
38. Stage 1 and Stage 2 IIAs (Integrated Impact Assessments) have been completed for the overall grant recommendations. Individual IIAs will be completed for organisations where it is proposed to reduce or cease a grant as part of the process of assessing the impact of the proposal.

POLICY FRAMEWORK IMPLICATIONS

39. The recommendations relate to the relevant policy framework plans and the services provided by the grant-aided organisations will assist the council in meeting the overall aims of its policy framework including the objectives set out in the Community Strategy and Medium Term Plan.

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Schedule of Recommended Grants for 2010/11
2.	Grants Criteria
3.	List of Community Chest Grants Awarded in 2009/10
4.	List of Powers under which grants are made

Documents In Members' Rooms

	None
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Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	Review of Grants to Voluntary Organisations Report to Cabinet on 27 th July 2009	
2.	Review of Grants to Voluntary Organisations Report to Cabinet on 23 rd November 2009	
3.	Application Appraisal Forms	

Background documents available for inspection at: Stronger Communities and Equalities Team Office, Room 83, Ground Floor, Civic Centre

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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