

**ALLOCATIONS POLICY FOR VOLUNTARY AND COMMUNITY SECTOR GRANTS - FOR SERVICES PROVIDED UNDER SERVICE LEVEL AGREEMENTS**

**1 Purpose of Report**

1.1 This report relates to the achievement of the following priorities:

- (a) Reducing crime and anti-social behaviour
- (b) Improving life chances for young people
- (c) Delivering efficient and responsive services

1.2 If the resolution is agreed, the Council would have a more robust process in place to meet specified outcomes that match the Council's priorities when considering future voluntary sector grant allocations.

**2 Executive Summary**

The report looks at the current ways of voluntary sector grant allocation and performance monitoring and summarises the changes that have taken place since the system was introduced. It highlights the need for the Council to better align its grant allocations with corporate priorities whilst adhering to value for money principles. It suggests a member working group be set up to review how the services currently delivered through service level agreements are delivered in the future

**3 Appendices**

Appendix One: Terms of Reference for the Member Working Group

**4. Proposed Action:**

- 4.1 **The Committee is invited to RESOLVE that a member working group is set up to review current service level agreement grant arrangements and report back to Resources Committee in the Autumn of 2010 on recommendations for future service delivery**

**5 Background**

5.1 This report is provided in response to the suggestions by the Resources Committee at the meeting held 24 November 2009 that

- (a) officers produce a report with recommendations to review the grant allocation procedures in line with the Council's Corporate Plan 2010/11 Objective "Reconfigure grant budget to better align with Council priorities"
- (b) officers produce a report for Committee on how voluntary sector grant process could be dealt with in future years, with more member involvement.

- 5.2 This report concerns services provided through grants awarded under Service Level Agreements. These represent 87% of the grants budget. Service Agreements tend to be in place for Borough wide, 'strategic' services, whereas the remainder of the budget is used to grant fund more local, operational, targeted services.
- 5.3 All current funding agreements through the community grants budget are in place for one financial year only, until 31 March 2011
- 5.4 The Council currently funds a number of voluntary and community organisations to deliver services that the Council is either unwilling or unable to deliver directly through lack of specialist knowledge and experience.
- 5.5 The Council presently benefits from the following services provided by the voluntary sector through service level agreements:
- (a) debt advice
  - (b) community transport
  - (c) community space and support for emerging organisations
  - (d) counselling and advice for victims of crime
  - (e) counselling provision for young people
  - (f) heritage
  - (g) voluntary sector organisational support and volunteering
  - (h) advice and support regarding equalities including hate crime
  - (i) In previous years the Council has also supported services concerned with the support and aftercare of domestic abuse victims
- 5.6 Most of the organisations currently funded by the Council for these services have been grant funded by the Council for ten or more years through such arrangements.

## **6 Discussion**

- 6.1 There are a number of reasons why is it now necessary to reconfigure grant budget to better align with current Council priorities:
- (a) Many of the grants to service level agreement holders are calculated from a historic base figure, set at least nine years ago, with various inflation increments over time.
  - (b) There would appear to be some services working towards similar outcomes that may lead to duplication
  - (c) The present approach does not encourage innovation such as partnership working, or seeking funding from other sources, as many organisations have relied on Borough Council funding year after year.
  - (d) This has meant that the Council has tended to fund organisations for what they are able to deliver and whilst these services are undoubtedly of value to the community they do not necessarily correspond to the Council's PRIDE objectives.

- (e) The Council has a legal duty to promote Value for Money and needs to be able to demonstrate a clear link between monies allocated and the value of the services provided in return.
  - (f) The continued ZBB process and efficiency drive highlights the need for the Council to save £2.5million. This will focus on savings across the Council including expenditure on grants
- 6.2 In carrying out an initial review of current procedures, officers have considered the services the Council currently funds through service level agreements by reviewing the service, rather than the funded organisation.
- 6.3 Alternatives have been considered as to how these services may theoretically be provided. This range of options could include the following
- (a) Keep the allocation process as it stands
  - (b) Cease the allocation and delete the budget
  - (c) Bring the service in house
  - (d) Invite other providers to bid to provide the service
  - (e) Re-negotiate the terms of the existing arrangement
  - (f) Seek public sectors partners to share the costs of the service
- 6.4 The recommendation is now to set up a Member Working Group to review service delivery alternatives for each service outcome and develop a recommendation for each for approval by Committee. Any changes should be implemented in time to influence the 2011/12 grants budget round. Draft terms of reference for the Working Group are given at Appendix one.

## **7 Legal Powers**

- 7.1 Section 111 of The Local Government Act 1972 gives the Council power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
- 7.2 Section 2 of the Local Government Act 2000 gives the Council the power (subject to certain exceptions which do not apply here) to do anything which they consider is likely to achieve the promotion or improvement of the economic, social or environmental well-being of the Borough.

## **8 Financial and Value For Money Implications**

- 8.1 The current (2010/11) allocated budget for voluntary and community grants is £260,250 after efficiency savings of £28,000 achieved through the Zero Based Budgeting process. A further saving of £100,000 per annum has been realised through capital grants previously available for improvements to community buildings.

## 9 Risk Analysis

| <b>Nature of risk</b>   | <b>Consequences if realised</b>  | <b>Likelihood of occurrence</b> | <b>Control measures</b>   |
|---|--|---------------------------------|---|
| Priority outcomes not by met under existing grant allocation arrangements | Services need by local people not provided<br><br>Poor value for money to the taxpayer | Medium                          | Review grant allocation criteria  |
| Leading voluntary sector services cease if BCW funding is reduced.        | Loss of service to local people<br><br>Reputational damage to Council                  | Medium                          | Liaison with voluntary sector and other funding providers<br><br>Equality impact assessment |
| Savings not achieved owing to risk of reputational damage to Council      | Potential of savings not achieved  | Medium                          | Establishment of member working group to advise committee                                   |
| Priority outcomes not by met under new grant allocation arrangements      | Services need by local people not provided<br><br>Poor value for money to the taxpayer | Low                             | New performance management arrangements in place  |

## 10 Implications for Resources

- 10.1 A small number of voluntary sector organisations that are grant funded by the Council are occupying Council owned property. Changes to grant allocation arrangements may lead to these premises becoming vacant further adding to the sum of void property and loss of rent.

## 11 Implications for Stronger and Safer Communities

- 11.1 Supporting organisations through funding enables future planning and development in becoming self-sustaining. The services delivered through grant funding help to promote community cohesion, reduce crime and repeat victimisation build a stronger sense of community.

## 12 Implications for Equalities

- 12.1 EQIA screening and possible full assessments may be necessary pending the recommendations of the member working group.

- 13 Author and Contact Officer**  
Gill Chapman, Community Development Manager
- 14 Consultees**  
Terry Wright, Corporate Director  
Ishmail Saccoh, Section Accountant
- 15 Background Papers**  
Project files  
Resources Committee Papers, 24 November 2009

**Appendix One:** Draft Terms of Reference for the allocation policy for community grants Working Group

The purpose of the Working Group will be to

- Review the community services currently provided under Service Level Agreements
- Make recommendations to Resources Committee on the preferred range of services.
- Make recommendations to Resources Committee on the level of grant funding allocated to the preferred range of services.
- Review the possible range of options for delivering services
- Make recommendations to Resources Committee on the preferred options for delivering services.
- Review the possible range of options for the grants allocation process
- Make recommendations to Resources Committee on the preferred option for the grants allocation process

The Working Group will make its recommendations in good time to permit the drafting of the 2011/12 budget. In making these recommendations the Working Group will be mindful of the Council's imperative to reduce its revenue budget by £2.5m.