

Agenda Item 11

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Report

Subject : Review of the council's Community Grants and the South Wiltshire Area Grants Scheme (SWAG) Policy

Report to : The Cabinet

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Cabinet Member for Community and Housing: Councillor Cole-Morgan

1. Purpose of the Report

- 1.1 To consider revisions to the policy criteria for the council's South Wiltshire Area Grant (SWAG) and Community District Grant schemes to ensure that in the future the allocation of funds from these budgets are aligned to the council's Medium Term Financial Strategy (MTFS)
- 1.2 To ensure that there is consistency with regard to how funding is allocated from both grant schemes.
- 1.3 To consider the re-distribution of funding within the Community District Grants Scheme and use the scheme to develop and strengthen a number of key infrastructure organisations through existing and new service agreements. Focusing on strategic support for the voluntary sector, community development and social inclusion

2. Background

- 2.1 Grant aid to the voluntary and community sector is not a statutory requirement, but it is a way for local authorities to acknowledge and value the benefit that the work of voluntary and community groups bring to the community, work that supports the council's corporate and community strategies.
- 2.2 The council currently administers two grants schemes that are available to the local voluntary and community sector: -
 - Salisbury District Community Grants are for those organisations that deliver a social or welfare service across the whole of Salisbury District and are allocated by the Cabinet these grants include revenue funding.



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- South Wiltshire Area Grants (SWAG) are geographically specific grants allocated by the Area Committees. The grants can be used for equipment, material, special projects, refurbishment/enhancements to facilities, village hall refurbishments, publicity material, events and start up costs. This scheme does not have revenue to fund on going projects in local groups and organisations.

3. Drivers for Change

3.1 Both schemes have been running for a number of years and there are now a number of drivers, listed below, that collectively are of sufficient importance to warrant the council to update its current grant policy:

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- Given the pressure of funding priorities within the council, the Medium Term Financial Strategy objective, is to transfer investment from low to high priority services. For applications for grants that fall into the lowest category, there will be a reduced budget. All grants allocated in the future **must be** aligned to the council's political and corporate priorities.
- The council's decision to reduce the SWAG budget by £75K over the next three years.
- to increase and strengthen the funding to **key** organisations through the maintenance and development of service agreements. This would align with the Government guidelines for improving the financial relationship with the third sector.
- the adoption of the Compact, which aims to support the development of healthy and vibrant communities in the district. In terms of the funding and procurement code there is a requirement to develop and sustain effective procedures that result in sound funding decisions to support well-delivered services.
- the appointment of the External Funding Officer whose remit includes advising and assisting organisations in seeking funds from sources other than the council so that they are less reliant on council funding. To date the External Funding Officer has sent out 239 funding alerts to voluntary and community sector organisations (VCSO's). 157 VCSO's have requested some form of funding advice from the officer and to date there have been 11 successful applications, securing £76,000 with a further 9 applications in progress.
- administering both grants schemes is resource intensive when compared to the value of the grants being awarded
- the council wishes to provide support for the Voluntary and Community Sector, and to encourage it to be less reliant on council funding for grant aid.
- the Community District Grant process is always over subscribed with a significant amount of the grants distributed under this scheme being small between £1-2,000.
- SWAG grants are not always aligned to the council's priorities but tend to focus more on local priorities

3.2 The Government realises that getting the funding relationship right is increasingly important if the financial stability of service delivery organisations is to be assured, and if government can look confidently to the voluntary and community sector to deliver services. **To increase stability in the funding relationship the Government guidelines are that:**

- the length of funding should be tied to the length of the objective. There should be no standard length of contract.
- value for money must be the overriding principle that dictates whether or not a longer-term funding arrangement is appropriate.
- longer term planning and funding arrangements can often represent better value for money than one year funding agreements.
- funding arrangements should be agreed between all parties if they are to be effective and offer the right incentives to deliver value for money.
- historical tendency to fund for a certain period is not an acceptable reason to maintain short term funding arrangements. Equally, there is a need to guard against advocating long-term funding for its own sake.
- departments should consider fully the opportunities for cascading multi-year funding arrangements.

4. Proposed Policy Criteria for both Community District Grants and South Wiltshire Area Grants Schemes

4.1 Based on the pressing need to amend the current policy it is proposed that in the future for an application to be considered for either grant scheme it must meet one of the following criteria: -

- support the delivery of the approved District or County Community Strategy.
- support the delivery of approved parish; town, ward and community plan priorities.
- makes a significant contribution to the role of the voluntary sector generally.
- makes a significant contribution to community development. (includes Village Halls)
- contributes to developing the values of diversity/equality and supporting disadvantaged and socially excluded groups.

4.2 Applicants must also: -

- satisfy the External Funding Officer that all reasonable other external funding opportunities prior to a formal application being submitted have been exhausted.
- demonstrate that council funding and support is required at the outset to support applications for funding.

4.3 The council will: -

- not support applications that are deemed to be the role of other public funded bodies (e.g. W.C.C., Parish and Town Councils, P.C.T., Connexions, C.S.P)
- only consider one application/project.
- expect applicants to demonstrate financial need and as a guide the council would expect applicants to have no more than six months of reserves. However consideration must be given to the Government guidelines on Full Cost recovery that say that Funding bodies must recognise that it is legitimate for third sector organisations to recover the appropriate level of overhead costs associated with the provision of a particular service.
- not accept applications from other precepting/pubic-funded bodies.
- not accept applications that would be for the benefit of an individual or commercial business.
- require applicants to be suitable and have a track record consistent with the level of funding being applied for.
- permit applications for community purposes from religious organisations, but will not fund religious or political groups or activities
- consider alternative support such as –
 - providing loans to groups and organisations, which for whatever reason are unable to raise funds in the short-term to meet an immediate need (this could involve parties who need to cover an emergency after setting its precept).
 - provide free advice on external funds that may be available.
 - provide other free or at cost advice for professional officers.
 - provide at cost, services such as printing to local organisations.

4.4 That the Community District grants budget is used to develop and strengthen a number of key organisations by increasing where relevant and appropriate their funding through either existing or new service agreements therefore reducing the small, relatively insignificant amounts, currently distributed to a wider range of organisations. In line with best practice the council will look to develop long-term agreements (minimum of 3 years) with these organisations to ensure sustainability in service delivery, focusing on the key infrastructure organisations.

4.5 The scope of the policy will exclude grants that are deemed appropriate to procure services from the voluntary sector to meet specific service requirements by individual Service Units. e.g. Major Arts Organisations, transport, housing etc.

4.6 It is proposed that the policy criteria referred to above is applied to both the Community and District Grant and South Wiltshire Area Grant Schemes

4.7 With specific regard to SWAG there will not be a ceiling on the grant.

4.8 The council will continue to develop the community and voluntary sector through the support and guidance of the council's Community Development officers and External Funding Officer so that the sector is not so dependant on council funding. If the recommendations are approved those organisations who currently receive smaller amounts (between £1-2,000) through the community district grants scheme could be provided with additional support to source funding and development of funding strategies.

4.9 In determining how to approach the review the following were discounted:

- Budget led, reduce the budget to what is acceptable and leave the schemes as they are. This approach would not be consistent with the Compact and Government guidelines on funding to the Third Sector. The process would continue to enable grants to be approved that were not aligned to the council's corporate and political priorities.

5. Recommendation:

5.1 These recommendations are made for the next financial year 2007/08

1. That Cabinet approves the policy revisions for the Community District Grants and authorises officers to inform the voluntary and Community sector accordingly in line with the Compact funding code of practice.
2. That Cabinet supports the revised policy in terms of SWAG and authorises officers to seek the views of the Area Committees before submitting recommendations to Full Council.
3. That the Community District grants budget is used to develop and strengthen a number of key organisations and develop long term service agreements
4. That the South Wiltshire Area Grants Assessment form is amended to reflect the revised policy criteria

6. Implications:

Financial : There are no financial implications at this stage. The Policy reflects the council's current priorities and budgetary allocation

Legal : None at this stage

Personnel : none at this stage.

Community Safety: None at this stage

Environmental : None at this stage.

Core Values : Fairness & Equality; Progressive employer; Open Learning Council & Willing Partner; Communicating with the Public; Supporting the Disadvantaged; Excellent Service