

# OVERVIEW AND SCRUTINY COMMISSION

**Agenda Item 57**

Brighton & Hove City Council

<b>Subject:</b>	<b>The Future for Discretionary Grants 2012-13 &amp; Beyond</b>		
<b>Date of Meeting:</b>	<b>Overview &amp; Scrutiny Commission 13 December 2011</b>		
<b>Report of:</b>	<b>Strategic Director, Communities</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Jonathan Best</b>	<b>Tel: 29-1114</b>
	<b>Email:</b>	<b>jonathan.best@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

## FOR GENERAL RELEASE

### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Council's Corporate Plan 2011 – 2015 sets out the priorities of tackling inequality, creating a more sustainable city and engaging people who live & work in the city. This includes support for a resilient and vibrant community & voluntary sector.
- 1.2 The Council's Equality & Inclusion Policy 2008 – 2011 is currently being revised to support the Corporate Plan objectives and ensure that the Council meets its statutory obligations within the Equality Act 2010. The role of community & voluntary sector organisations is central in supporting the most vulnerable and disadvantaged people in the city.
- 1.3 The Council's Members Advisory Group is the cross-party group of councillors which provides challenge and support to the Cabinet in relation to the Discretionary Grants Programme.

### 2. RECOMMENDATIONS:

- 2.1 That members recognise the role of the grants programme in underpinning the council's working relationship with, and sustainable success of, Brighton and Hove's third sector organisations.
- 2.2 That members provide comment and feedback to Cabinet on the proposed vision, criteria and process for the Three-Year Strategic Grants 2013-16 and the Annual Grants 2012-13.

### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Brighton & Hove City Council's (BHCC) Discretionary Grants Programme currently invests approx £1.6M pa in the city's Third Sector (community groups, voluntary organisations & not-for-profit social enterprise).
- 3.2 Administered by the council's Communities & Equality Team the programme supported over 200 organisations in 2010-11 and has already supported over 180 organisations in 2011-12.

- 3.1 Overview & Scrutiny Commission (OSC) 27 November 2009 considered decisions made by Cabinet as part of the Three Year Strategic Grants Programme 2010-13 and gave unanimous approval.
- 3.2 OSC specifically commended the rigour of process, scope of consultation and robust reporting: At this time OSC also requested some additional work in supporting an unsuccessful applicant and this was actioned with the delivery of an alternative support package.
- 3.3 Finally OSC asked that they be briefed on “policy and methodology of Three Year Grants in advance of the next Three Year Grant process.”
- 3.4 The cross-party Member’s Advisory Group for Grants (MAG) was recently asked to consider proposals for the next application and decision making process 2013-16.
- 3.5 MAG met on 22 November 2011 and acknowledged and commended established process and agreed the draft vision and priorities as attached as Appendix 1.

#### **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 The National Association for Voluntary & Community Action (NAVCA) describes why local grant aid is vital for a healthy voluntary and community sector and thriving local communities:

“For some organisations only grants will enable them to achieve outcomes that matter for local people.

A grant:

- Is a stepping stone and initial lifeline for a small organisation just starting
- Is in keeping with the voluntary ethos. It won’t discourage volunteers from taking part, who might otherwise not want to volunteer to deliver services defined by the local authority
- Can create opportunities. It enables groups to take a risk and to innovate ‘to have a good idea and be able to try out something new’
- Can lever extra support  
‘local people might be involved through grant panels and decision making or private donors (businesses and individuals)’
- Allows organisations to work with the least advantaged in society from whom raising an income is next to impossible
- Can be infinitely flexible and often made at low cost, proportionate to the size of group it is supporting.
- Builds and strengthens local linkages and relationships through what can be a less formal and more trust-based funding relationship
- Can enable the organisation to meet the needs of the community and stay close to its missions and values, if it doesn’t need to adapt to meet the requirements of a particular contract”

*“Sustaining Grants” NAVCA 2007, p.3, 4*

4.2 Brighton & Hove Community & Voluntary Sector Forum have been supporting the Council in the development of the Intelligent Commissioning process and approach. In their briefing document in August 2011 they underlined the crucial role of an effective grants programme within Intelligent Commissioning.

4.3 They make the argument for both effective grants programmes and contracting arrangements to achieve the citywide outcomes.

#### 4.4 **Value**

An effective and efficient discretionary grants programme delivered with quality clearly represents good value in terms of:

- Innovation
- Flexibility
- Leverage
- Accessibility
- Reputation Building
- Business Planning

4.5 Grants are not subject to VAT which means the full value of the investment can be realised and bring in more money. For example the council's Arts Partnership Award grants levered almost £700,000 into the city in 2010-11 (over fourteen times the original grant investment).

4.6 Grants add value to a recipient organisation, as well as attracting match funding often underpinning longer term business planning and building reputation across communities. The value of third sector endeavour in Brighton & Hove was estimated at over £95M pa. and this does not factor the value to volunteers & beneficiaries in terms of engaging and empowering active citizenship. So grants can provide the platform for those big commissions.

4.7 Yet grants are also vital to smaller organisations. Those very organisations who may find it difficult to access other funding streams but make an established and much valued contribution to well being in neighbourhoods and cohesion across the city's diverse communities. Grant aid invests in their unique capacity to find imaginative and innovative solutions to local need.

## 5 **PROPOSED GRANTS PROCESS, VISION & CRITERIA**

5.1 The current and proposed grants process as set out in Appendix 2 has earned national recognition from the Chartered Institute of Public Finance and the Directory of Social Change for its openness and accountability. It has been audited regularly by the council's Internal Audit and proven to be rigorous and consistent.

5.2 The council's discretionary grants programme 2010-13 currently benefits from specialist input by officers across delivery & commissioning units to ensure that decision making meets cross-council objectives and fit with specialist activity.

- 5.3 It also benefits from the cross-party Members Advisory Group which enables dialogue with the Lead Cabinet Member and officers.
- 5.4 There is no proposal to change the portfolio of grant schemes that comprise the Council's wider grants programme of Three Year Strategic Grants accompanied by Annual Grants for smaller groups alongside specialist projects such as community festivals, culture and environmental sustainability
- 5.5 There is however a genuine opportunity to re-align eligibility criteria to fully reflect city outcomes, corporate priorities and our intelligent commissioning approach to working with partner providers as set out in Appendix 1.

## **6. FINANCIAL & OTHER IMPLICATIONS:**

### **6.1 Financial Implications:**

The full impact in terms of Financial Implications will be considered within the emerging 2012-13 budget strategy

*Finance Officer Consulted: Michelle Herrington*

*Date: 1/12/11*

### **6.2 Legal Implications:**

The report recommends continuation of the discretionary grants programme 2013-16 with the current application procedure, process and delivery mechanism maintained alongside a new Three-Year Strategic & Annual Grants (inc. 2012-13) Application and Decision-Making Timetable.

It also recommends adopting a revised vision for the discretionary grants programme, accompanied by updated eligibility criteria which reflect corporate priorities.

This is considered to be a reasonable legal approach.

*Lawyer Consulted: Bob Bruce*

*Date: 23/11/11*

### **6.3 Equalities Implications**

BHCC discretionary grants programme is one of the mechanisms through which the council implements its equality aims in relation to communities in the city. It provides support to diverse, often small and seldom heard, community groups based on their own identification of needs and goals.

Actions to promote equalities issues are prioritised in the vision and criteria for grant aid as outlined above. In addition the specialist grant schemes identified in Appendix 3 address key council strategies in this regard.

Recommendations build on previous Equality Impact Assessments and the equalities principles underpinning the proposed grants programme. Working with stakeholders an EIA will support and influence the practical implementation of the programme and wider service.

### **6.4 Sustainability Implications:**

Actions to promote sustainability issues are prioritised in the vision & criteria for grant aid as outlined above.

In addition the specialist grant schemes identified at Appendix 3 address key council strategies in this regard.

#### 6.5 Crime & Disorder Implications:

Actions to address crime & disorder issues are prioritised in the vision & criteria for grant aid as outlined above.

In addition the specialist grant schemes identified at Appendix 3 promote key council strategies in this regard.

#### 6.6 Risk and Opportunity Management Implications:

Promotion of opportunity is prioritised in the vision & criteria for grant aid outlined above. Provision of mechanisms for the appropriate management of associated risk are acknowledged & addressed in the recommendations made.

Risks attached to discontinuing the programme are outlined in this report.

Provision of a discretionary grants programme in future years will be essential, not only for the council's continuing good working relations with a thriving third sector but also its capacity to deliver on corporate commitments and strategic priorities throughout the period.

#### 6.7 Public Health Implications:

Actions to address public health issues are prioritised in the vision & criteria for grant aid as outlined above.

In addition the specialist grant schemes identified at Appendix 3 promote key council strategies in this regard.

#### 6.8 Corporate / Citywide Implications:

Recommendations made support a number of council priorities as outlined.

This includes:

- Our Corporate Plan 2011-15
- "Creating a City of Opportunities": B&H Strategic Partnership - A Sustainable Community Strategy for Brighton & Hove

### **7. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

The options to discontinue the grants programme or to significantly alter the process have been addressed in the content of this report.

### **8. REASONS FOR REPORT RECOMMENDATIONS**

The recommendations recognise that provision of a discretionary grants programme in future years will be essential, not only for the council's continuing good working relations with a thriving third sector but also its capacity to deliver on corporate commitments and strategic priorities throughout the period.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Grants 2013-16: Vision, Criteria & Practical Examples (inc Annual Grants 2012-13)
2. Grants process for decision making
3. Current & recent grant commitments:
  - Three Year Strategic Grants 2010-13
  - Annual Grants 2010-11
  - Annual Grants rounds 1, 2 & 3 2011-12

### **Documents in Members' Rooms**

1. n/a

### **Background Documents**

1. B&H Community & Voluntary Sector Forum Briefing 13 Update August 2011
2. "Sustaining Grants" National Association for Voluntary & Community Action 2007
3. "Taking Account": B&H Social & Economic Audit September 2008