

Grant Review Principles

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WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

The proposals contribute to the Council's transformation programme. They outline the principles of the Council's grant review which has been widely referred to in the Council's current consultation on budget proposals and the future role of the Council in 2013-15.

WHY HAS THIS REPORT COME TO THE EXECUTIVE? (eg Key Decision, Policy recommendation for Full Council, at request of Council,etc.)

Executive approval of the principles of the grant review are required.

RECOMMENDATIONS:

That the Executive consider and agree the principles of the grant review.

1. INTRODUCTION

- 1.1 Copeland Borough Council has provided grant funding for a number of years. Currently the Council provides over £200,000 in grant funding to a variety of organisations across the Borough including Parish and Town Councils, charitable and community and voluntary organisations.
- 1.2 Throughout the savings programme of the past two years, the Council has sought to protect grant funding. However the unprecedented financial situation facing the Council has led to a fundamental review of its role and strategic priorities going forward. It is now timely to review the Council's grant funding provision in the context of the proposed role and new strategic priorities. This will ensure any grant provision that is made in future is affordable for the Council going forward and sustainable.

2. THE FUTURE ROLE OF THE COUNCIL

2.1 In looking towards the future and aligning the role and services provided by the Council in the new financial reality, the Executive's vision is to continue to **work to improve lives, communities and the prosperity of Copeland**. By 2015 the Council is proposing it will be 'a small and flexible Council that works with partners to arrange essential services for residents in Copeland. To achieve this we propose to:

- Reduce the number and type of services provided or supported directly by the Council;
- Reduce the scope of other services;
- Ensure that where possible our services are targeted, helping to meet community need and help the most vulnerable in our communities;
- Strive continuously to deliver statutory services which are well managed, cost effective and easy to access and;
- Continue to reduce our running costs

2.2 The proposed approach to **prioritise** the delivery of statutory services and reduce the delivery of discretionary services means that the Council will no longer be providing all the services it has in the past. The Council will recognise clearly the role, responsibilities and importance of others in delivering services in Copeland. We also recognise that roles will change, not only for the Council but also for partners and communities.

2.3 Based on this, the Executive developed revised priorities for the period 2013-15. These will form the basis of the Council's new Corporate Plan and are currently out to consultation. The proposed priorities are:

- Deliver efficient and effective statutory services (our "must dos")
- Alongside others, make our contribution to Copeland as a place that people are proud of
- Be an effective public service partner so we can get the best deal for Copeland

3. FUTURE PRINCIPLES OF GRANT FUNDING

3.1 It is within this context that a review of the Council's existing grants has been conducted by CLT. CLT have reviewed the existing approach in the context of proposed budget savings for 2013-15 and the future role of the Council. In looking forward to 2013-15, CLT propose that any future grants should follow the principles set out below:

- Grants should help the Council to meet its strategic priorities;
- Be affordable to the Council; and
- Be managed using a Service Level Agreement system.

4. MAKING CHANGES TO THE CURRENT APPROACH TO GRANTS

4.1 The Council is currently out to consultation with regard to its future vision, mission and priorities. This will be agreed at Full Council early next year. As part of this consultation (commenced 11 October), the Council published its intent to review existing grants. The proposal is now to contact the individual bodies concerned to discuss the Council's proposals for grants in future and the potential implications for grant recipients.

4.2 In order to make this consultation meaningful, those consulted will need to be informed that this is likely to lead to significant changes in the Council's approach to grants and that those bodies affected should look to put in place alternative funding arrangements with immediate effect. This change in approach will include a review of the way grants are administered with the proposal to move towards a service level agreement system which is proportionate but still ensures that in all instances there are clear outcomes and outputs identified based on an assessment of community need and affordability. This reflects best practice.

4.3 In conducting their initial assessment, CLT have developed an initial set of policy proposals for consideration by Executive based on the revised policy framework (currently out to public consultation) and likely affordability going forward. *In summary the proposal is that:*

- Grants that support the delivery of financial inclusion and advocacy services within our local communities should be prioritised and thus remain, with the possibility of enhancement. This proposal recognises the Council's aim to target available resources to assist in the delivery of such services during times of economic difficulty.
- Our approach to grants should support our approach to Community Asset Transfer and associated aspects of localism. This will particularly impact on a number of current arrangements including with Parish and Town Councils. It is anticipated that this element of the work will look at the

Concurrent Services Grant and consider the establishment of transitional funding arrangements to help support the development and implementation of the Council's Community Asset Transfer policy.

4.4 The proposed strategic priorities currently out to consultation recognise that the Council can no longer continue to provide all of the services that it has in the past due to reductions in funding. As a response to these reductions in funding, the Council has looked at its future role and set out proposals to prioritise statutory services (our must do's) and reduce our spending on discretionary services in order to reduce our spend in line with funding from government. Discretionary services will either stop entirely or be provided at a reduced level with a reduced amount of funding. In order to align grants with this approach, it is proposed that spending on grants associated with discretionary services is significantly reduced. Typically, these service areas include:

- Arts development and delivery
- Sports and recreation
- Tourism and tourist facilities
- Regeneration
- Parks and open spaces

4.5 There are a small number of grants that are aligned with our statutory duties and it is proposed that these are reviewed also to ensure that they are fit for purpose and offer value for money.

5. TIMETABLE

5.1 As a member of the Local Compact, the Council seeks to adhere to the principles of the Local Compact when working with the voluntary and community sector wherever possible. This sets out expectations regarding consultation. During the consultation period it will be important for the Council to consider the potential impacts of any decisions regarding funding not only with regard the group or organisation in receipt of the grant but also potential impacts on their service users. This information will be used to prepare an Equality Impact Assessment in order to demonstrate that the Council has considered the equalities implications of any decisions relating to grants. Further, the Best Value Statutory Guidance (revised 2011) sets out guidance relating to proportionality and minimum notification periods (3 months) when ending or reducing grant aid to voluntary and community bodies.

5.2 Thus with regard to the timetable, relevant voluntary and community bodies should be consulted as part of the wider consultation process which is on-going now. As the review of grants is closely tied to the Council's revised corporate policy framework, the future awarding of grants can only be agreed and implemented once Full Council has agreed the Council's new policy framework early next year.

5.3 In order to meet the requirements of the Best Value Statutory Guidance, interim arrangements should therefore be agreed. The bodies affected by the termination of their grant in 2013/14 should receive the appropriate notice period and thus be paid an amount of money not less than three months of the grant of which they are normally in receipt of.

6. CONCLUSIONS

6.1 It is timely to carry out a grant review and the proposals enable this to be addressed in the context of the current financial situation and new strategic priorities. Subject to Members approval, action will be taken to notify organisations of the grant review and arrangements going forward.

7. STATUTORY OFFICER COMMENTS

7.1 The Monitoring Officer's comments are:

Proposals appear to be a fair and robust approach to prioritisation taking account of statutory guidance and the Council's current financial position.

7.2 The Section 151 Officer's comments are:

The proposals for reviewing grants are part of the wider changes to the council's roles and new priorities currently out to consultation. The grants review is part of the overall strategy to realign the council arrangements to focus on statutory functions and to achieve the spending reductions in line with the Medium term financial strategy. The intention to move from a grant system to a system of service level agreements setting out the outcomes and outputs the council commissions should enhance transparency and secure value for money.

7.3 EIA Comments:

The budget proposals have had an initial summary EIA carried out against them. Consultation with grant recipients will enable the completion of an EIA in respect of the review of grant funding provision. This process should aim to capture the potential implications for both the funded body

and its service users. This reflects learning from case law which demonstrate that the Council must have due regard to equalities when making decisions about the future of grants provision to ensure that such decisions are robust.

7.4 Policy Framework comments:

The grants review is being conducted in the context of the Council developing its Future Operating Model and its budget proposals for 2013-15. The approach to grant awarding in future will be seen within this new policy and financial context.

7.5 Other consultee comments, if any: N/A

8. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

8.1 Heads of Service will be responsible for conducting the consultation with the potentially affected bodies. CLT will be responsible for reviewing the results of this process and the Executive will make final recommendations to Full Council.

9. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

9.1 In undertaking this work, the Council is seeking to maintain the ability to award some grants locally in the medium term. These grants will be aligned with the revised policy framework for the Council and the budgetary constraints placed upon it.

List of Background Documents:

Best Value Statutory Guidance (September 2011)