

Grants Review Update

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Summary and Recommendation:

The report sets out the progress made with regard to the review of grants, which is part of the Budget Reductions and Savings Programme. It identifies relevant national policy and sets out the purpose and scope of the review for consideration by Members.

1. Background

As a result of the CSR, the Council is required to make a projected £4.5m saving (equivalent of 30% base budget) profiled as follows:

11/12 £1.7m (8.8%)
12/13 £1.4m (8.8%)
13/14 £652,000
14/15 £605,000

The Council is currently considering options on how it will achieve these budget reductions and has established a Budget Reduction and Savings Programme 2011/12. As part of this programme, and in line with many other local authorities, the Council has also identified the need to conduct a review of its grant giving activity.

Locally, the Council supports a range of organisations, varying in terms of their size and aims. Such organisations are involved in a range of activities. In policy terms the Council is a signatory to the Local Compact and has developed its locality working practices over the past three years.

2. National Policy

There have been a number of changes to national policy (proposed and actual), which are relevant to the review of grants. These include some key proposals within the Localism Bill and Open Public Services White Paper. The White Paper sets out five key principles and these are:

- Increased choice wherever possible;
- Decentralise public services to the lowest possible level;
- Open up public services to a range of providers;
- Ensure fair access to public services; and
- Ensure public services are accountable to users and to taxpayers

More recently, new guidance has been issued in to relation to the cessation of funding to voluntary; community and social enterprise sector bodies (revised Best Value Statutory Guidance). Key points from guidance include that local authorities are to avoid passing on disproportionate reductions and that appropriate notice periods should be given to organisations which have historically received such funding and where such funding will cease.

Policy and practice in this field is also developing as local authorities review their grant related spend and activity. Many local authorities are moving away from grant giving to commissioning based relationships with the third sector. This reflects wider changes within the sector where a number of local authorities are seeing themselves as commissioners in future rather than direct service providers. Clearly this shift is dependent upon the skills, experience and resources available as well as capacity within the Council's external organisations to respond to this. Hence, some authorities are developing a mixed approach, with the development of commissioning-based relationships, complemented by, for example, a small grants scheme.

3. Purpose of the Review

Subsequent to a consideration of both local circumstances and experience from elsewhere, it is proposed that the purpose of the review is as follows:

- Achieve savings;
- Promote the delivery of the Council's strategic objectives;
- Promote Value For Money;
- Engage other organisations supporting organisations affected by the review; and
- Promote the development of an independent and sustainable third sector in Copeland.

In this way, the review seeks to balance the immediate budget reduction pressures with some longer-term aspirations to work with others to deliver the Council's strategic objectives and to promote the development of an independent and sustainable third sector.

5. Scope

It is proposed that the scope of the work is as follows:

- Conduct a review of grants made (including underlying agreements and any other forms of support) by Copeland Borough Council;
- Consider the support made available to such organisations to aid their development and sustainability and how organisations make use of this;
- Develop a new approach to funding for implementation in 2012/13; and
- Engage the sector in this review under the terms set out within the Local Compact.

6. Key Milestones

In the first instance a Project Team will be set up to deliver the review. The Team will include representatives from a range of areas, including: representatives from service teams, policy and equalities. The Team will work to a project plan, regularly reporting progress to CLT and RPWG. It is anticipated that the following will form key milestones within the project:

- Confirm approach to the review
- Confirmation of headline budget proposals for inclusion within budget consultation;
- Development of proposals for implementation in 12/13;
- Commencement and cessation of consultation period in line with local Compact; and
- Start date for implementation of any new proposals in 12/13.

7. Conclusion

The review of grants will be conducted as a project for the remainder of 11/12 for implementation of any revised arrangements in 12/13. The review seeks to balance the immediate budget reduction pressures with other aspirations including promoting delivery against the Council's strategic objectives.

Consultees: