

Report

Cabinet Member for Finance and Resources

Part 1

Date: 20 April 2017

Item No: 01

Subject Grants to voluntary organisations 2017/18

Purpose To make recommendations to the Cabinet Member to approve funding for the main voluntary sector organisations receiving annual grants from the Council for the year 2017/18 and to seek approval for the review of these grants (deferred from 2016/17).

Author Head of People and Business Change

Ward City wide

Summary The Council has supported voluntary sector organisations in Newport for many years. The voluntary sector organisations make an important contribution to the local community and to the City Council's strategic priorities. This report sets out the funding arrangements for 2017/18 which are supported by service level agreements and a monitoring framework.

The report also sets out some detail of the process that will need to be applied if the Council is to make the savings allocated to these grants within the MTRP for 2018/19, deferred by Cabinet from 2017/18 following agreement of additional investment in voluntary sector grants this year.

Proposal 1) To approve the funding for voluntary organisations for 2017/18;
2) To agree for work to be undertaken to ensure the grants are reviewed and future budget pressures are considered.

Action by Head of People and Business Change

Timetable Immediate

This report was prepared after consultation with:

- Head of People and Business Change
- Head of Finance
- Head of Law and Regulation
- Chief Internal Auditor

Signed

Background

The Council has supported some voluntary sector organisations in Newport for many years. The voluntary sector organisations make an important contribution to the local community and to the City Council's strategic priorities.

This report sets out the funding arrangements for 2017/18 for four voluntary sector organisations (plus one other), namely Newport Citizens' Advice Bureau (CAB), Gwent Association of Voluntary Bodies (GAVO), South East Wales Regional Equality Council (SEWREC) and Newport Shopmobility. In addition, a smaller grant is also paid to the Alzheimer's Society. In addition, rent grants are payable to a number of organisations totalling £25,620.

Service Level Agreements are in place which set out the following information:

- a. Aims and values of the voluntary sector organisation
- b. Purpose, type and amount of grant awarded
- c. Objectives and method of delivery of the service to be provided
- d. Performance targets and anticipated incomes related to the service to be provided
- e. Arrangements for liaison with the Council
- f. Arrangements for monitoring and evaluating the agreement.

These Service Level Agreements were developed in 2013/14 following discussion with the relevant organisations and other internal stakeholders and cover the three year period 2013/14 to 2015/16. During 2015 these Service Level Agreements were updated to better reflect the work currently being undertaken. Monitoring information has been sought from each organisation and regular monitoring meetings have taken place to ensure that services are being delivered in line with the current agreements.

The Service Level Agreements for 16/17 will be updated to include issues raised by an audit of the grants, and compliance with relevant legislation.

In the run up to setting the 2016/17 budget the Local Authority consulted on proposals to reduce the overall allocation to voluntary sector grants (which includes grants not referred to within this report) by 16%, or £63,000. As a result of that consultation these proposals were deferred to 2017/18, allowing more time for discussion and consultation with service providers and service users. At the March 2017 Cabinet meeting these savings were deferred for a further year following the decision made on the use of the 2016/17 underspend which has made provision for one year's funding through reserves.

These arrangements have also been in place for a number of years and it is timely to consider what the Local Authority funds and to what level – this would be required even if there was not a requirement to make savings. In order to ensure that the Council can consider proposals work will be undertaken with each provider over the first two quarters of the financial year and a proposal for making the necessary changes taken to the Cabinet Member for savings to be in place for the new financial year.

Financial Summary

The total cost of these proposals is £260,240 divided between the four main organisations, plus one other, as follows:

CAB: £125,700
GAVO: £27,540
SEWREC: £44,800
Shopmobility: £57,200
Alzheimer's Society £5,000

Miscellaneous rent grants are also paid totalling £25,620.

This level of funding has been provided for within the Council's revenue budget for 2017/18, at the same amounts as 2016/17 year. Payments are made quarterly.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to ensure public funding is being utilised to meet the priorities of Newport, in line with financial regulations and providing value for money.	H	L	Service Level Agreement Process Monitoring Process Review of funding and service provision	Policy, Partnership and Involvement Manager
Failure to provide adequate resource to the voluntary sector to support work with specific targeted groups and communities.	M	M	Ensuring that the review of provision and grants takes into account appropriate levels of funding for the provision of interventions that meet agreed priorities	Policy, Partnership and Involvement Manager

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

- Corporate Plan – Standing Up For Newport
- Strategic Equalities Plan
- Prospectus for Change
- Single Integrated Plan

Options Available

- 1) To approve the funding for voluntary organisations for 2017/18; and to agree for work to be undertaken to ensure the grants are reviewed and future budget pressures are considered.
- 2) To amend the funding for voluntary organisations for 2017/18; and to agree for work to be undertaken to ensure the grants are reviewed.

Preferred Option and Why

To approve the funding for voluntary organisations for 2017/18; and to agree for work to be undertaken to ensure the grants are reviewed and future budget pressures are considered.

This will allow for a review to take place and further report to Cabinet Member once this is completed in line with the decision made on the use of the 2016/17 underspend which has made provision for one year's funding through reserves.

Comments of Chief Financial Officer

Following the cabinet decision in regards to the use of the 2016/17 underspend, there will now be budget available through the use of reserve for this funding to continue for a further year into 2017/18 for the grants named in the report.

Proposals here have been developed for a number of months and with the knowledge of Cabinet Members and therefore it is anticipated that it will be agreed that work can be undertaken to ensure the grants are reviewed and future budget pressures are considered.

Comments of Monitoring Officer

The proposed grants to these voluntary bodies is in accordance with the Council's general "well-being" powers under Section 2 of the Local Government Act 2000. The grants are entirely discretionary but the purpose of the SLA's is to ensure that the social and community benefits of the grant funding are being delivered. The SLA's have been updated to reflect the range of services being provided but further work is required to review each service and the potential impact of future reductions in grant funding, to ensure that any savings are implemented fairly.

Comments of Head of People and Business Change

There are no staffing implications for the Local Authority arising from this report. However, reductions in these grants will inevitably result in an impact of staff numbers within the third sector and subsequently could result in increased demands for services (and thus increased pressure on staff) from the Local Authority.

The outline process detailed within the report should ensure that the decision about how to implement the budget reduction is done in a fair and equitable way and takes into consideration the needs of Newport.

Comments of Chief Internal Auditor

It is reassuring to note that the report sets out that the Council will be reviewing and consulting on what services it will continue to fund in future and to what level.

Comments of Cabinet Member for Finance and Resources

The voluntary sector plays an important role in supporting some of our most vulnerable people. We recognise that we need to effectively manage our budgets, whilst ensuring value for money and transparency in the way we allocate funding. To ensure the best value for effective services, discussions have been on-going with these organisations and I expect that process to continue during 2017/18.

Local issues

No applicable.

Comments from Non-Executive Members

Councillor O Ali:

I would be interested to know a breakdown of the miscellaneous rent grant - totalling £25,620 & wat organisations these go to please

Response from Cabinet Member for Finance & Resources:

The £25,620 relates to premises costs for the following organisations:

Newport Womens Aid
Shopmobility
Firbankdale Social Club

Scrutiny Committees

The Cabinet Member may wish to refer this decision to Scrutiny for review and/or recommendation.

Equalities Impact Assessment

A Fairness and Equality Impact Assessment has been completed based on the proposed budget reduction for 2017/18 (released with the budget consultation). This will be reviewed and updated as part of the process during this financial year.

Children and Families (Wales) Measure

Children and young people have the right to be involved in decisions that affect their lives. Whilst none of these services are specifically aimed at children and young people, where the evidence shows that they are service users their views will be gathered and presented within the decision making process.

Wellbeing of Future Generations (Wales) Act 2015

The report proposal considers the impact that budget reductions will have on partner organisations, and ensures that grant payments are continuing for the 17/18 financial year. Our voluntary sector partners are often key to prevention work as outlined in the WFG Act.

Crime and Disorder Act 1998

N/A

Consultation

Discussions took place with each organisation affected during the budget setting process. It is proposed that the organisations detailed in this report, along with the wider voluntary sector, are enabled to shape and influence the approach taken to ensure an equitable and fair approach to providing grants to the voluntary sector.

Background Papers

- Service Level Agreements 2016/17
- Cabinet Report March 2017
- Cabinet Member Report June 2017

Dated: 20 April 2017