

Grants to the voluntary and community sector

Date of Meeting: 5 November 2019

Portfolio Holder: Cllr T Alford, Customer, Community and Regulatory Services

Local Member(s):

Director: Aidan Dunn, Executive Director, Corporate Development

Executive Summary: In the lead up to LGR, the Shadow Executive agreed to a transition year for funding for the voluntary and community sector continuing the previous councils' spending. Predecessor councils provided a varying range of funding for the sector with some areas benefiting much more than others.

Dorset Council recognises the valuable contribution of the voluntary community sector, particularly in the early intervention and prevention agendas. Given the current challenging financial climate, this report looks to deliver some modest savings for the 2020/21 budget. The proposal is to consult on the amalgamation of a range of existing funds into three categories:

- **Earmarked funds** for:
 - Information, advice and guidance
 - Support of arts sector
 - Voluntary sector support
 - 4 museums and 2 community buildings we have a liability for
- **Revenue grant scheme** for local voluntary and community groups to apply to
- **Capital grant scheme** for voluntary and community sector organisations to bid into for capital projects and for match funding for attracting external funding

Options delivering between £0 and £160,000 saving on existing spending are explored in this report. Local organisations in receipt of council funding are keen to understand what the future plans are, and it is essential to engage with them about the options as soon as possible.

Equalities Impact Assessment: Current funding arrangements are inequitable with some areas of Dorset receiving significantly more funding than others. The full equalities impact assessment is in Appendix 3.

Budget: Dorset Council will spend approximately (£2 million) supporting the voluntary and community sector in Dorset in 2019/20. Potential savings arising from this report are between £0 and approximately £160,000 for 2020/21.

Risk Assessment: Having evaluated the risks associated with this decision, certain areas identify as high. However overall it is considered that the level of risk has been identified as:

Current Risk: MEDIUM
Residual Risk MEDIUM

Climate implications: No specific implications directly from this report however organisations may bid for grants to help address their carbon footprint.

Other implications: Some of the options for consultation will result in a reduction of funding for some voluntary and community organisations that currently receive funding but there may be other organisations that do not currently receive funding who will be able to access grants.

Recommendation:

1. Cabinet agrees to consult on the following funding options for 2020/21 for a period of 6 weeks:

- **No change - maintain the current level of funding to the current organisations with no change from 1st April 2020**
- **Maintain the current level of funding but change to the new approach to allocating funding from 1st April 2020.**
- **Reduce the current level of funding to current organisations by 10% (except Citizens Advice Bureau (CAB)) and change to the new approach to allocating funding from 1st October 2020**
- **Reduce the current funded organisations by 10% (except CAB) for a 12-month period. Change to the new approach to allocating funding from 1st April 2021**

2. Cabinet agrees the draft grants application criteria (in Appendix 2) for consultation.

3. Cabinet agrees to review the level of funding for future years (after 2020/21) as part of the medium term financial planning process.

Reason for Recommendation:

1. To provide the voluntary and community sector with the opportunity to share their views about potential options
2. To provide the voluntary and community sector opportunity to comment on the grants selection criteria
3. To deliver a medium term plan for Dorset Council's contribution to the voluntary and community sector

Appendices:

1. Full list of current grant recipients
2. Proposed criteria for assessing future discretionary funds
3. Equality Impact Assessment

Background Papers: None

Officer Contact:

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1. Purpose of report

To agree to consult the voluntary and community sector about Dorset Council's proposals for allocating funding to the sector.

2. Key issues

The previous sovereign councils were involved to varying degrees in funding community activity in Dorset. For 2019/20, the budgets from the sovereign councils were transferred into Dorset Council. In the current financial climate, there is a need to review the existing level of funding amounting to £1.8m. Options delivering between £0 and £160,000 saving on this are explored in this report.

Local organisations in receipt of council funding are keen to understand what the future plans are, and it is essential to engage with them about the options as soon as possible.

3. Current status

The annual budgets from the sovereign councils total approximately £1.8 million. – Approximately £216,000 capital and £1.6 million revenue. Previous spend was not geographically or thematically proportional – with some areas receiving significantly more resource than others which has resulted in inequality across the Dorset Council area. For example, West Dorset District Council approved grants totalling approximately £600,000 for 2019/20 for its area - the highest of any of the districts. North Dorset District Council approved grants totalling approximately £70,000 for 2019/20 for its area – the lowest of the districts.

In 2019/20 the money was spent in the following way:

Revenue	
Information, advice and guidance (currently provided by the Citizens Advice Bureau (CAB))	£550,000
Support of arts, heritage and museums (currently provided by the Arts Development Company)	£134,000
Voluntary sector support (currently provided by Dorset Community Action – £91,500, Volunteer Centre Dorset –£48,000 and Dorset Race Equality Council –£19,000)	£158,500
3 museums where Dorset Council has a reversion interest - Priest's House Wimborne (£98,000); Dorset County Museum (£79,000); and Bridport Museum (£54,000)	£231,000
2 community centres has a reversion interest – Allendale Wimborne (£13,000) and Barrington Wimborne (£10,000)	£23,000

Ongoing support for core costs - for voluntary and community organisations providing a range of functions / services	£386,000
Discretionary grant funds – one off contributions from a range of grant pots to support: social inclusion; DCC service priorities; arts, sports, village halls, play and accredited museums	£146,000
Revenue total	£1.6 million
Capital	
Arts, sports, village halls, play and accredited museums and match funding for voluntary and community groups who were bidding into external funders such as heritage lottery	£216,000
Total revenue and capital spend	£1.8 million

In addition, the Council spends £178,000 on grants for children’s services (youth services, child bereavement services) which will be reviewed separately. The council also supports the DAPTC – with an annual grant - currently £30,000 and IT and office space in County Hall.

The results from the consultation will be considered and used to inform the budget for 2020/21

4. The proposed approach for Dorset Council to allocate funding to the voluntary and community sector

The proposed approach is to deliver a fair apportionment of spend across the Dorset Council area whilst still recognising the valuable contribution of the sector. Officers recommend that spend be prioritised for:

- information, advice and guidance support (currently provided by CAB) for local people across the whole of Dorset council area;
- Support for the voluntary sector to ensure that voluntary organisations can access adequate support for governance, advice and training (currently provided by Dorset Community Action, Volunteer Centre Dorset and Dorset Race Equality Council)
- capital leverage to ensure other funders continue to invest in Dorset; and
- a fund for individual organisations to bid into for distinct projects.

The proposal is to have some funds earmarked for specific purposes which support the rest of the sector and for the remainder of the money to be in a revenue grant pot and a capital grant pot for local organisations to bid into. Grants will be provided to those projects that meet the council’s corporate priorities as set out in the draft Dorset Council Plan. Appendix 2 sets out the proposed criteria that a panel will use to allocate grant funding. Further work will be needed to determine who will participate in the member led panel.

The proposal is to put 5-year contracts in place for the organisations receiving earmarked funds to provide them with stability. The grants will be available for up to 3 years but could also be for one-off projects:

The proposal is for earmarked funds to be made available to the following:

- Information, advice and guidance
- support of arts

- support for the voluntary sector
- 4 museums and 2 community buildings that Dorset Council has a reversion interest

This doesn't necessarily mean no reduction over 5 years but will agree the level and timing of reduction at the beginning of the 5 years. These contracts will be subject to the appropriate procurement routes and subject to legal advice. Officers recommend that funding to the CAB remains unchanged in 2020/21 because of the critical nature of the information, advice and guidance it provides. The total funds available for other earmarked funds could sustain a reduction in 2020/21. The following table summarises the proposed approach with approximate values:

	Approx. cost 2020/21
Earmarked revenue funds:	Option 3 & Option 4
• Information, advice and guidance (funds unchanged)	£550,000
• Support of arts, heritage and museums	£115,000
• Voluntary sector support	£135,000
• 3 museums and 2 community buildings that Dorset Council has a reversion interest -	£230,000
Revenue grant scheme for voluntary and community groups to apply to	£485,000
Capital grant scheme for voluntary and community groups to bid into for capital projects and for match funding	£150,000

5. The savings options for 2020/21

Officers have considered 6 options for proposed spend for 2020/21:

Positives	Negatives	Saving 2020/21
1. No change - maintain the current level of funding to the current organisations with no change from 1st April 2020		
No reduction in funding for current funded organisations	<ul style="list-style-type: none"> • On-going disparity of funding • No savings achieved • May be open to challenge • May not be funding areas of need 	£0
2. Maintain the current level of funding but change to the new approach to allocating funding from 1st April 2020.		
Immediately addresses the disparity of funding	<ul style="list-style-type: none"> • Not enough time for organisations to prepare for changes in resources • No saving achieved 	£0
3. Reduce the current level of funding to current organisations by 10% (except CAB) from April 2020 and change to the new approach to allocating funding from 1st October 2020		
<ul style="list-style-type: none"> • Gives current funded organisations more time to prepare for any changes to funding 	<ul style="list-style-type: none"> • Disparity of funding continues for longer 	£80,000

Positives	Negatives	Saving 2020/21
<ul style="list-style-type: none">• Makes some savings		

Positives	Negatives	Saving 2020/21
4. No change - maintain the current level of funding to the current organisations with no change from 1st April 2020		
<ul style="list-style-type: none"> • Gives current funded organisations over a year to prepare for any changes to funding 	<ul style="list-style-type: none"> • Disparity of funding continues for longer 	£160,000

6. Legal implications and impacts on the voluntary and community sector

All grants are due to come to an end on the 31st March 2020. The council has a legal obligation to consult on any proposed changes following any decision made by Cabinet.