

Shadow Dorset Council

Shadow Executive

Date of Meeting	17 September 2018
Officer	Steve Mackenzie Chief Executive – Purbeck District Council
Subject of Report	Grants to Voluntary and Community Organisations
Executive Summary	<p>The voluntary and community sector have become concerned their funding might not be guaranteed by the new council and budget decisions would not be taken before the end of the calendar year. This would not give the sector sufficient time to reduce its staff costs if funding was not available.</p> <p>Leaders asked officers and Portfolio Holders to review the grants to the voluntary and community sector to provide some certainty as to their future funding. Portfolio Holders concluded the most appropriate way forward is to roll the current arrangements forward into 2019/20 and undertake detailed reviews of the grants for the 2020/21 budget. The only exception to this is the £6,000 annual grant provided to each of five town partnerships in West Dorset. These grants are not provided elsewhere in Dorset and so it was considered inappropriate to continue with them in one area.</p> <p>The budget includes some grant allocations which are provided as one-off grants. Consequently, voluntary and community organisations are not dependent on this funding to meet their running costs and so there is not the same urgency to consider the size of this budget. This budget allocation can be considered at the same time as the rest of the Council's budget, although a match-funding capital fund has already been partially committed into 2019/20.</p> <p>Although the report deals with the grants to the voluntary and community sector as a cost on the revenue budget, the Portfolio Holders are aware that the grants often lever into</p>

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	<p>Dorset additional funds from other agencies and so they can be viewed as an investment.</p> <p>The recommendations in the report were agreed at the meeting of the Budget Task and Finish Group on 3 September.</p>											
<p>Impact Assessment:</p>	<p>Equalities Impact Assessment:</p> <p>Unnecessary as the report proposes extension of existing policies. Assessments may be necessary when the scale and number of grants is reviewed in readiness for the 2020/21 budget.</p>											
	<p>Budget:</p> <p>The grants to the voluntary and community sector total £1,954,024 per annum across the six councils. This total does not include payments to the sector in respect of contracts for the provision of services.</p> <p>Some of the County Council's grants are subject to disaggregation which will reduce the total cost after April 2019 by £38,352.</p> <p>The grants budgets which are not used to provide annual recurring grants to the same organisations total £393,257, of which £155,000 is in respect of a capital match-funding budget, some of which is already committed into future years. The other budgets in this category total £238,257. Agreement to the size of this budget does not have the same urgency as the budget for the recurring grants.</p> <p>Budget approval for 2019/20 is therefore sought in advance of consideration of the main part of the budget, in respect of £1,540,613, as shown below:</p> <table border="1" data-bbox="523 1574 1385 1805"> <thead> <tr> <th></th> <th>£</th> </tr> </thead> <tbody> <tr> <td>Gross budget for all councils</td> <td>1,954,024</td> </tr> <tr> <td>Less: - One-off funding budgets</td> <td>393,257</td> </tr> <tr> <td>- Impact of disaggregation</td> <td>38,352</td> </tr> <tr> <td>- Town Partnerships</td> <td>30,000</td> </tr> <tr> <td>Requested budget</td> <td>1,492,415</td> </tr> </tbody> </table>		£	Gross budget for all councils	1,954,024	Less: - One-off funding budgets	393,257	- Impact of disaggregation	38,352	- Town Partnerships	30,000	Requested budget
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	<p>Risk Assessment:</p>											

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	<p>Having considered the risks associated with this decision using the LGR Programme risk management methodology, the level of risk has been identified as: Current Risk: MEDIUM Residual Risk: LOW</p>
Recommendation	<p>The Budget Task and Finish Group is asked to support a report being submitted to the Shadow Executive recommending:</p> <ol style="list-style-type: none"> 1. Those grants which are given to organisations on a continuing basis are rolled forward for 2019/20, subject to the grants to pan-Dorset organisations being reduced to take account of the loss of Christchurch. 2. Grants towards the running costs of local town partnerships not continuing beyond 31 March 2018. 3. Comprehensive reviews of the grants being undertaken, to inform the budget setting process for 2020/21 and provide certainty to the sector.
Reason for Recommendation	<p>That there is a clear approach to grants to voluntary and community organisations in 2019/20, so that recipient organisations and Finance Officers can plan accordingly.</p>
Appendices	<p>None</p>
Background Papers	<p>Detailed spreadsheet analysis of the grants made available.</p>
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1. Background

- 1.1 During the spring of 2018, Members and officers became aware of concerns within the voluntary and community sector that the new Dorset Council might not be able to indicate whether it would continue the support provided by the predecessor councils. There was the risk that these concerns could result in voluntary and community sector organisations reducing their staff if future funding had to wait for the agreement of Dorset Council's budget in the early part of 2019.
- 1.2 The Leaders of the predecessor councils asked officers to work with their relevant Portfolio Holders to review the level of grants and to make recommendations in advance of the main budget process to provide

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certainty as to the support the new council will continue to provide to voluntary and community organisations via grant aid.

- 1.3 The Portfolio Holders met twice to review the number and range of the grants being made available by the existing councils. There are over 80 recurring grants provided by the existing councils, some of which are provided to the same organisation by different councils. In addition, there are several grant budgets which are allocated on an annual basis.
- 1.4 The Portfolio Holders had wanted to review in detail the amount of grant aid given to each organisation by the different councils, assessing the need for the grant and reviewing links to other funding through, for example, contracts from the Councils. They concluded that there is insufficient time to undertake thorough reviews of all of the organisations which are grant aided. They therefore agreed that the most appropriate way forward would be to continue to provide grants to those organisations which receive them every year and to commence more in depth reviews to inform the 2020/21 budget. The exception to this is the grants of £6,000 currently provided by West Dorset District Council to each of its five town partnerships. The support provided by the other districts and boroughs to their town partnerships ended some years ago and it was considered inappropriate for Dorset Council to support town partnerships in one area but not in the others.

2. Financial Analysis

- 2.1 The grants to the voluntary and community sector total £1,954,024 per annum across the six councils. This total does not include payments to the sector in respect of contracts for the provision of services. The cost is divided between the existing councils as shown in the following table:

Dorset County Council	818,752
East Dorset	280,750
North Dorset	66,498
Purbeck	81,910
West Dorset	600,894
Weymouth & Portland	105,220
Total	1,954,024

- 2.2 These grants can be analysed as follows:
 - £16,800 to environmental organisations;
 - £376,143 to arts organisations, including £127,000 to the Arts Development Trust and £69,000 to the Bournemouth Symphony Orchestra;
 - £232,269 to heritage organisations, which are largely museums, often occupying council owned buildings;

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- £329,796 to community organisations including £101,000 and £51,000 to the umbrella organisations of Dorset Community Action and the Volunteer Centre respectively;
- £605,759 to organisations which support local people including £527,959 to Citizens' Advice; and
- £393,257 is in grant budgets which are allocated to individual organisations on a one off basis, of which £155,000 is in a capital match-funding budget which is largely committed in 2019/20 already.

2.3 The County Council's grants include £573,027 given to organisations working across the county and which are subject to disaggregation to remove the funding in respect of Christchurch. This reduces the cost of these grants by £38,352 to £1,540,613.

3. Conclusions

- 3.1 The Portfolio Holders concluded there is insufficient time available to undertake thorough reviews of all of the organisations which are grant aided in time for those organisations to have some certainty over their funding before they would need to start to implement plans to reduce costs. They therefore agreed that the most appropriate way forward would be to continue to provide grants to those organisations which receive them every year and to commence more in depth reviews to inform the 2020/21 budget.
- 3.2 The exception to this is the grants of £6,000 currently provided by West Dorset District Council to each of its five town partnerships. The support provided by the other districts and boroughs to their town partnerships ended some years ago and it was considered inappropriate for Dorset Council to support town partnerships in one area but not in the others.
- 3.3 The Portfolio Holders have asked Officers to undertake reviews of grants to each part of the voluntary and community sector. Work currently being undertaken on an impact analysis of parts of the sector will contribute to these requested reviews.