



CABINET – 1 AUGUST 2001

FINANCIAL SUPPORT FOR VOLUNTARY AND NOT FOR PROFIT ORGANISATIONS

1. INTRODUCTION

- 1.1 There are currently a number of ways in which voluntary and non-profit making organisations can obtain financial support from different parts of the Council. This report sets out to review the way in which that support is provided and to establish a framework and process that will achieve a degree of consistency in approach. This will assist the Council to ensure that there is a joined up approach to supporting voluntary organisations.
- 1.2 No changes are proposed to take place before the 2002/03 financial year. This will ensure that organisations that have made assumptions about the level of support that they are to receive from the Council in the current financial year are not detrimentally affected without a lead in period.
- 1.3 the principal findings of the review are that the Council's approach is unnecessarily fragmented, there is a distinction to be drawn between an annual grant aid process and a more significant relationship with partner core funded organisations.

2. EXISTING SUPPORT

- 2.1 Support to voluntary organisations comes in many different forms but the main approaches can be categorised as follows: -
- Direct financial support via grants
 - Direct financial support via non domestic rate relief
 - Indirect support through officer time for which no charge is made
 - Direct financial support where the basis of the funding is more on a partnership basis rather than grant aid.
- 2.2 Consideration was given to reviewing all four categories but the two latter groups were excluded on the grounds that it would require significant input for little obvious benefit. There is also a process of review for the latter through the Portfolio Holder and Expenditure Plan process.

3. DIRECT FINANCIAL SUPPORT

- 3.1 Direct financial support via grant support comes in a number of different forms and the budgets for this funding are summarised in the table below: -

Description	Portfolio	Budget £
Small Grants Scheme	Corporate & Finance	5,000
Annual Grants	Corporate & Finance	6,625
Ad-hoc Grants	Corporate & Finance	500

Leisure Grants	Leisure	56,330
Health For All Grants*	Housing	6,000
Crime Prevention Grants	Crime & Disorder	18,000
Citizens Advice Bureaux	Corporate & Finance	168,400
NF Voluntary Council	Corporate & Finance	70,115

*These grants are multi-agency grants and although administered by the Council the costs are fully funded by the Health Authority.

- # 3.2 The detail behind each of these schemes is listed in Appendix 1.

4. NON DOMESTIC RATE RELIEF

- 4.1 Rate relief for registered charities is mandatory and is given at the rate of 80% of the sum due and is fully refunded by the national rates pool. Discretionary rate relief (that is funded by this council) is permissible for the balance or part thereof. 100% discretionary rate relief is available to non-profit making organisations that are not registered charities.
- # 4.2 The policy framework for the discretionary element is included as Appendix 2 and the annual budget for that element which falls upon this council is £56,000. It would seem appropriate for the Council to review this framework at this juncture to ensure that there is consistency between grant allocations and discretionary rate relief as both are financial support. It is intended to review the administration of rate relief in the light of this report.

5. PARTNERSHIP CORE FUNDING

- 5.1 A number of organisations are supported by the Council in both financial and non-financial ways other than through the normal grant mechanism process. The relationship between these core funded organisations and the Council is one that is more of a partnership arrangement and this type of support is not covered by this review. The direct financial support covered by such agreements is however detailed in Appendix 3.
- # 5.2 The list does serve to illustrate that the nature of the relationship with the CAB and NFVSC is much closer to the style of these core funded organisations that it is to annual awards for grant. In addition, it was apparent in the review that within the Leisure Grants the support for ArtSway was significantly different to the other grants and as a named partner in the Council's work with a Service Level Agreement, it too should be treated as a core funded organisation.

6. SMALL GRANTS

- 6.1 As can be seen from paragraph 3.1 above, small grants are made available to groups within the District area. Grants are usually of £50 and therefore attract applications from groups that are very locally based within their communities. One decision that members need to resolve is whether to continue the funding of such grants. Whilst the benefits of the scheme are clear and wide ranging many local councils also provide support for such groups. Furthermore, with resources becoming increasingly constrained for supporting groups who have a wider community benefit, members could see this as an opportunity for increasing overall resources to the grant-funding budget without increasing the financial burden on the taxpayer.

- 6.2 As part of this review all local councils have been consulted on their views without suggesting that this was a firm proposal. Whilst many local councils saw the logic of making small grants a local council issue few were prepared to take on providing additional support without some form of financial compensation from the District Council. Clearly making some form of compensation would defeat the object of transferring responsibility, as it would simply result in the District Council funding the activity and the local council reaping the benefit of PR that goes with such payments. Other councils also said that they did not have any administrative arrangements to deal with such a process.
- 6.3 The Council therefore needs to determine whether it should continue with the scheme or not. Whilst the budgetary impact is not large it could provide some additional support for grants that may benefit a much wider spread of individuals and those that are potentially in far greater need than those that currently benefit from the small grants scheme.

7. PROPOSALS

- 7.1 It is proposed that grants that are not core funding or service specific grants should be amalgamated. For this purpose core funding relates to the Citizens' Advice Bureaux and New Forest Voluntary Service Council; service specific grants are Health For All and Crime Prevention grants. Whilst the remit of the new grants budget will be wide ranging, covering all the corporate objectives of the Council there is great sense in coordinating the administration of these grants within one area. It is therefore suggested that this be vested within the Leisure Portfolio.
- 7.2 In terms of officer administration there seems no logical reason for any grants to be administered by the Accountancy Section. It is therefore suggested that these be amalgamated within the Leisure Services Section where use can be made of the community related experience of the staff to give support to the scheme and applicants. This would give greater support to the thought that the grants should fall within the Leisure Portfolio. Since the question of rate relief is exclusively a financial matter, it does not appear to be sensible to transfer the responsibility for determining discretionary rate relief to that portfolio and therefore it is recommended that this remain within the Corporate and Finance Portfolio and be administered within the Finance Directorate. These proposals are summarised below:

Description	Portfolio	Budget £
Community Grants	Leisure	
(made up of :		
Small Grants Scheme;		5,000
Leisure Grants		56,330
Annual Grants		6,625
Ad-hoc Grants)		500
Health For All Grants	Housing	6,000
Crime Prevention Grants	Crime & Disorder	18,000
Non domestic rate relief	Corporate and Finance	56,000

- 7.3 There will be a need however, to ensure that greater communication is established between the grants and rate relief activities. When considering the approval of discretionary rate relief a schedule of all those applications approved and rejected are sent to the officer who is responsible for administering grant applications. To assist the operation of this, it would be better for the consideration grant allocations to follow that of rate relief. Also, if the Council receives an application for grant funding of an on-going nature, the officer concerned should seek clarification as to whether that organisation could qualify for rate relief of any sorts.
- 7.4 Should this amalgamation be accepted as presented, the small grants budget will be discontinued and the funding will be transferred to the overall grants budget with effect from 1 April 2002. Members should bear in mind that if they agree to this action, it would be against the wishes of most of the local councils. Those organisation affected will though still be able to apply to the new scheme.

8. REPORTING ARRANGEMENTS

- 8.1 The various support provided by the Council is administered in a number of different ways. With the new democratic arrangements in place it would now seem appropriate to review those arrangements.
- 8.2 It is to be expected that there will be a peak of interest for grants at the start of the financial year. However in order to promote the Councils aims of encouraging inclusion, being flexible and accessible to the community it is suggested that the Council should be open to receiving grant applications throughout the year. This will need management but would be closer to best practice.
- 8.3 Members may wish to review the decision making process. If members are minded to adopt this scheme, the majority of funds will be relatively modest awards to local groups. Given the workload of Cabinet, it may be more practical to delegate to the Portfolio holder. It is for Members to decide but as a starting point for discussion a suggestion is offered:

Description	Delegation	Budget £
Community Grants	Leisure Portfolio Holder	68,445
(made up of :		
Small Grants Scheme;		5,000
Leisure Grants		56,330
Annual Grants		6,625
Ad-hoc Grants)		500
Health For All Grants	Housing Portfolio Holder	6,000
Crime Prevention Grants	Crime & Disorder Portfolio Holder	18,000
Discretionary Rate Relief	Director of Finance	56,000
Core Funding	Relevant Portfolio Holder	484,375

- 8.4 At officer level the specialist services would continue as currently: Health For All grants are through a multi agency Core Group and the Environmental Health Section and Crime Prevention grants through the Crime Prevention Working Party and the Environmental Health Section. The other responsibilities would follow the work of the Portfolio.
- 8.5 Officer delegations could stay as currently and be considered again after a period of review

9. SUGGESTED POLICY AND FRAMEWORK

- 9.1 New Forest District Council recognises the value that the diverse range of voluntary organisations add to the lives of those living within the district. The Council seeks to continue supporting those organisations that can assist delivering real benefits to the community of the New Forest.
- 9.2 The Council is keen to support and strengthen local, voluntary, environmental, and community sectors and to improve the arts and sporting opportunities for local people. The Council aims to support through core funding, certain key organisations, which deliver services that are in line with the Council's key objectives. In doing so it will develop core funding relationships with those key organisations and will require the adoption of service level agreements and the monitoring of these by both Portfolio holders and Review Panels.
- 9.3 In addition the Council will operate a grant aid scheme against which local organisation can apply on an annual basis. It does however recognise that resources are always a limiting factor and will therefore seek to prioritise the allocation of grant support by using an open and equitable basis for the allocation of resources. These must also be in line with the Councils objectives and achieve tangible benefits for the people of the District. Grants awarded will be monitored during their lifetime and evaluated at the end.

10. GUIDELINES

- 10.1 Requests for support to voluntary organisations will always exceed the resources available. It is therefore important that any rationing of support is undertaken against the backdrop of corporate objectives. The Council has recently issued a revised Corporate Plan that identifies a number of key issues that members should consider when determining a framework for the allocation of grants.
- 10.2 In order to ensure that grants are awarded to organisations that seek to achieve the same outcomes that the Council see as a priority these corporate objectives should be used as an overarching guide. Any grant awarded should seek to deliver outcomes that improve or enhance at least one of these issues within the community. Criteria will need to be determined to guide the allocation of funds and assist in listing priorities.
- 10.3 In addition to statements at the policy level there is the need for the adoption of key principles to guide the Portfolio Holders in their work. In due course detailed criteria will also be needed to assist in ranking schemes. Suggested
- # guiding principles are attached as Appendix 4.

11. INFORMATION

- 11.1 Grant applications to be made available through an electronic format and officers review the design and access of information available on the Council's website and other identify avenues for the advertising of the financial support that is available to voluntary organisations

12. ENVIRONMENTAL IMPLICATIONS

- 12.1 There are no direct environmental implications arising from this report although being a corporate priority may lead to greater funding of groups that deliver enhancements in this area within the community.

13. FINANCIAL IMPLICATIONS

- 13.1 If the recommendations of this report are accepted there will be no impact on the overall resource that the Council will be allocating to supporting voluntary organisations in total. There will however be a redirection and amalgamation of resources in to a larger budget and a more strategic allocation of support.

14. RECOMMENDATIONS

- 14.1 It is recommended that the Cabinet consider the proposed grant framework and make any amendments they feel appropriate and these proposals be considered by the relevant Review Panels for their comments.
- 14.1.1 All non service specific and core funding grants be combined with effect from 31 March 2002 within the Leisure Portfolio
- 14.1.2 The administration of the above grants be transferred to the Leisure Services Section
- 14.1.3 Service specific grants and national non domestic rate relief, be administered as they are at present
- 14.1.4 Core funding arrangements be applied to Citizens' Advice Bureaux and New Forest Council of Community Service and ArtSway.
- 14.1.4 A new set of guidelines and application form be developed that are consistent with the above framework
- 14.1.5 The small grant scheme be discontinued from 31 March 2002 and the budget be retained within the new combined grants budget
- 14.1.6 Further guidance be developed in consultation with other agencies to ensure that public funding for voluntary organisations be used to its maximum potential
- 14.1.8 Decisions on grant aid allocations be made by the relevant Portfolio holder.

14.1.9 An electronic means of applying for grants be devised

14.1.10 The framework and process for awarding of discretionary rate relief be reviewed to ensure a consistent approach is adopted for all financial support provided to voluntary and non profit making organisations.

For Information:

Background Information:

Chris Malyon
Director of Finance
Tel: (023) 8028 5701
E-mail: chris.malyon@nfdc.gov.uk

None

Martin Devine
Assistant Director of Leisure Services
Tel: (023) 8028 5474
E-mail: martin.devine@nfdc.gov.uk

CURRENT GRANT AID SCHEMES

A brief outline of how these grants are allocated is set out below. The first three elements are current schemes where there has been limited development of criteria and little officer support to applicants. Elements 5 and 6 are grant schemes that are more criteria based. Finally, 7 and 8 are more significant relationships, which would more appropriately belong to core funding arrangements.

1 Small Grants

Any grant application is considered which encourages and supports the provision of services, which either complement the duties and functions of the Council, or are in the interests of the area and or it's inhabitants. Statutory organisations, parent/teachers associations and individuals are however excluded.

2 Annual Grants

This budget is allocated annually with little or no scrutiny or review. Grants are allocated based on an incremental basis i.e. last year grant plus inflation. Although an application has to be made no justification or criteria assessment of the outcomes sought is undertaken. In theory therefore these grants could be continued to be paid in perpetuity without any critical review on whether the support provided is helping to achieve the Councils corporate objectives.

3 Ad-hoc Grants

The Council receives numerous applications each year from organisations most of which request support for very worthwhile activities or projects. On occasions such requests can be judged on the relative canvassing that may have been undertaken without reference to the Councils corporate objectives. Whilst the Council would wish to support all worthwhile projects it simply does not have the resources to do so and therefore all support to voluntary organisations should be judged against an agreed corporate framework.

4 Leisure Grants

The grant aid that is provided under this heading is intended to help provided appropriate leisure and community activities and facilities that ensure direct benefit to the residents of NFDC. By and large the support is for specific projects, however support towards running costs will be considered if the organisation can demonstrate that they provide a service that covers the whole of the district area. The criteria upon which grant applications are judged are

attached as Appendix 2 to this report

5 Health For All Grants

The criteria for assessing such grants are as follows: -

The project should aim to promote health, prevent ill health, or tackle inequalities in the following areas:

- Smoking prevention
- Promotion of physical activity
- Tackling social exclusion
- Rural deprivation

Research proposals associated with any of the above may also be considered. These objectives are subject to change by the Health For All Core Group and all projects supported are subject to an evaluation after one year.

Projects that include alliances of different groups, agencies or individuals are especially welcome.

Whilst brief the above criteria for assessment clearly flows from the corporate objectives as detailed in the Councils corporate plan.

6 Crime Prevention Grants

Grants are made to individuals and groups in the local community as well as statutory and voluntary groups and businesses. Grants must support activities that fall in to one of the following themes:

- Community issues – road safety/crime reduction/local action
- Violence & intimidation – domestic/bullying/crime reduction
- Youth Issues – personal safety/action/crime reduction

7 Citizens Advice Bureaux

In 1991/92 the Council entered a ten year partnership agreement with the National Association of Citizens' Advice Bureaux. Contributions from the Bureaux are on a reducing scale and for the next financial year, the total cost will be borne by the Council. Officers have been attempting to agree a service level agreement for some time but this has yet to be finalised. The grant payable is increased annually in line with inflation.

8 New Forest Voluntary Service Council

Up until this year the grant paid has effectively been assessed on the requirements as set out by the NFVC in their budget proposals. The Council has this year required that a service level agreement be signed between the Council and the NFVC which details the level of service activity that the NFVC will provide for the level of support that the District Council is making. Due to problems within the NFVC the SLA has not yet been signed and therefore only interim grant funding has been released for the current financial year.

POLICY ELEMENTS FOR NON DOMESTIC DISCRETIONARY RATE RELIEF

Registered Charities	Non Profit Making Organisations
20%	100%
Village halls (excluding local council halls) Community Association Premises Youth Clubs Women Institute Halls Citizens Advice Bureaux W.R.V.S Royal National Lifeboat Institute St Johns Ambulance O.A.P Clubs Red Cross Premises (other than charitable shops) Playgroups	Organisations for which 100% relief would have been awarded had the organisation had charitable status
10%	75%
Scout/Guide camp sites Youth Hostels Charity occupied chalets/beach huts	Angling/Fishing clubs where more than half the members are residents of NFDC Bowling clubs Cricket clubs Football clubs Hockey clubs Naturist clubs Other sports clubs Rifle/gun clubs Sailing/yacht clubs (where club has a youth branch) Tennis clubs Weightlifting clubs
0%	50%
Schools with charitable status Charitable Shops	Angling/fishing clubs where half or less of the members are residents of NFDC Sailing/yacht clubs (where the club does not have a youth branch) Rowing clubs

Where a discretionary relief would be due, officers have the right to defer approval to the Portfolio Holder for his consideration where it was felt that the financial standing of the organisation did not justify awarding rate relief.

CURRENT CORE FUNDING PARTNERSHIP ARRANGEMENTS

Organisation	Budget 2001/02	Portfolio
	£	
Eling Tide Mill	23,110	Leisure
Forest Arts	14,590	Leisure
Forest Forge	30,860	Leisure
Calshot Worker	3,000	Leisure
Forest Bus	12,000	Leisure
Ashley Millennium	3,000	Leisure
Waterside Action Group	3,000	Leisure
Blashford Lakes	24,280	Leisure
Brockenhurst College	14,130	Leisure
Community Transport	4,700	Econ'y & Planning
Dial A Ride	3,660	
Transport Links	50,430	Econ'y & Planning
Meals on wheels	59,100	Housing

GUIDING PRINCIPLES FOR GRANT AID

1. The Council will:

- 1.1 Expect local organisations to ensure that they have a sustainable future (i.e. not to be wholly dependant upon the Council for their future viability).
- 1.2 Encourage and empower local organisations to bid for a wider range of funding to achieve their objectives and increase benefits to the residents of the District
- 1.3 Ensure that the grant distribution process is transparent rational and fair
- 1.4 Raise awareness of the grants available but do not raise expectations beyond what we can deliver within the budget that is available
- 1.5 Help local organisations with advice on bidding for grants from the District Council and elsewhere
- 1.6 Expect all grant conditions to be met
- 1.7 Expect all organisations to help in meeting the Council's strategic objectives

Eligibility Criteria

2. Organisations must:

- 2.1 Ensure that there is no other more appropriate source of funding
- 2.2 Demonstrate that they have sought funding from other sources
- 2.3 Demonstrate that there is financial need.
- 2.4 Be able to demonstrate that there is a real benefit for those key target groups in the Councils objectives such as those suffering from poverty, social exclusion, or people who are older, young or disabled.
- 2.5 Benefit people living within the New Forest District Council area and will normally be located within the area
- 2.6 Have and submit an adopted written constitution setting their aims and objectives and the activities that they provide, which is to the satisfaction of the Council
- 2.7 Be voluntary or not for profit organisations
- 2.8 Have a bank or building society account in the name of the organisation, which needs at least two cheque signatories

3. Each application: -

- 3.1 Must meet one or more of the Councils objectives as set out in the Council's Corporate Plan

- 3.2 Should have a plan for getting new funding if the project is to continue after the Councils funding ceases or be able to demonstrate the ability to manage the consequences of a reduction in funding.
- 3.3 Should be aimed to benefit the residents of the New Forest District Council area
- 3.4 Should demonstrate that there is a need for the project and should identify the groups of people in need and how those groups' needs are to be met
- 3.5 Should identify what outcomes are expected as a result of the grant and these should be tangible and measurable
- 3.6 Whilst not a prerequisite those organisations that can demonstrate that they are working in partnership with others may have more chance of success

4 EXCLUSIONS

- 4.1 Grants will not normally be made: -
- 4.2 For work or events that have already taken place or equipment that has already been purchased
- 4.3 From organisations that have sufficient funds to meet the costs of the expenditure from reserves having taken account of the trading position for the next twelve months and the asset base they have to manage
- 4.4 Towards vehicles unless they are part of a community transport scheme
- 4.5 To individuals
- 4.6 For trips or holidays