

# Revenue Grants Programme

Report of the Community and Leisure Portfolio Holder

## Recommended:

- 1. To extend the current funding arrangement for grant recipients under the Revenue Grant programme by one year on the current terms plus an appropriate provision for inflation, subject to any adjustments made as a result of savings identified under recommendation 3 to the report.**
- 2. That a decision on extending Community Transport funding after March 2021 is considered later this year in coordination with Hampshire County Council as primary funder.**
- 3. That the offer to extend the current funding arrangements by one year will take in to account where organisations have suspended services included within their grant agreement due to Covid-19 and have made savings as a result.**
- 4. That the review of the Revenue Grant programme be deferred by twelve months.**

## SUMMARY:

- This report recognises and values the work of charities and community and voluntary organisations in response to the Covid-19 pandemic. It also sets out the challenges that the Covid-19 pandemic has presented in undertaking a review of the Revenue Grants programme, which is in the final year of a three-year cycle.
- Because of these continuing challenges it offers options for the continuation of the grant programme beyond March 2021.

## 1 Introduction

- 1.1 The Revenue Grant programme provides support to community organisations to provide specific services and activities that improve the quality of life for residents of Test Valley.
- 1.2 It is a three-year programme with all funding agreements come to an end in March 2021. Ordinarily the final year of the funding cycle would be used to undertake a review of the programme, which organisations are funded and for what in order to inform recommendations for a further three year funding programme.

1.3 The impact of the Covid-19 pandemic has meant that funded organisations have had to respond and adjust their services and the way that they are delivered. To attempt to engage with organisations and stakeholders to undertake this review as we would normally do would create additional demand on their capacity at a time when in many cases their service users are in particular need. There also remains uncertainty about what the key needs of organisations and their service users will be as society, and organisations themselves, move in to recovery, making an effective review to guide funding for the next three years particularly difficult. This report sets out those challenges and makes recommendations for the continuation of the grant programme after March 2021.

## **2 Background**

- 2.1 The Revenue Grant programme aids the delivery of important core services that support some of the most vulnerable members of the community. For a number of years the Council has provided a three year programme of funding, which gives these important services a degree of financial security and allows them to plan for the future. Most of these are traditional grant arrangements but three represent services that the Council commissions from community providers.
- 2.2 The 2018-21 grant programme included a further, fourth commissioned service from Tourism South East. A new contract for that service will commence in April 2021 and therefore is not included in the recommendations of this report. A full list of organisations which were funded in the 2018-21 programme and which are covered in the recommendations of this report is at Annex 1 to the report.
- 2.3 We are currently in the final year of the three year cycle and would normally use this year to engage with funded organisations and stakeholders to reflect on the current three year period, to consider the expected demand on their services over the next three years, to understand their plans over that period and, in light of all of this, ultimately to explore whether it is still appropriate to continue to provide funding (and to what level). Where it would still be appropriate to continue funding, the evidence gathered during the review would also allow the Council to work with organisations to identify clear outcomes for the funding.
- 2.4 The Covid-19 pandemic has effected all organisations funded by the Revenue Grant programme. For example, Unity's voluntary sector support function turned virtually its entire effort to supporting the response to the pandemic, by supporting community groups and coordinating their own volunteers to support people across the borough, whilst their community transport and Shopmobility services effectively ceased for much of lock down and some staff associated with these functions were furloughed. Citizen Advice Test Valley redesigned their business to focus on over the phone support, setting up their staff to work from home whilst dealing with the inevitable influx of clients as residents face new challenges as a result of the national response to the pandemic.
- 2.5 For others, such as King John's House, they largely ceased operating for a period in lockdown and furloughed some or all of their staff.

- 2.6 As the nation comes out of lockdown and finds new ways to function, these organisations must themselves face the challenge of negotiating the new normal and focus their efforts on developing and adapting their offer in a way that continues to deliver essential services to their clients in a Covid-secure manner.
- 2.7 In the current climate it has been impossible to engage in meaningful consultation on future funding or to identify what the right manner of funding may be in the post Covid-19 environment. This is compounded by the fact that, as described above, many groups are either extremely busy with the response to Covid-19 or their staff have been furloughed and in either case may find such consultation a particularly challenging additional demand on their time.

### **3 Corporate Objectives and Priorities**

- 3.1 Services and organisations funded by the Revenue Grant programme contribute towards commitments made under the *Communities, People and Local Environment* priorities within the Corporate Plan 2019-23.

### **4 Consultations/Communications**

- 4.1 Informal conversations have been had with all grant recipients and there is a consensus of support for the proposal.

### **5 Options**

- 5.1 As Hampshire County Council is the primary funder for Community Transport, in the case of each option below, a decision on extending Community Transport funding after March 2021 should be considered later this year in coordination with them.
- 5.2 **Option One** – Carry out a ‘light touch’ review of the programme to inform recommendations for the next three year cycle (2021-24).
- 5.3 **Option Two** – Defer the review of the programme by one year and offer all organisations a twelve month extension on their current terms, plus an appropriate provision for inflation, regardless of the financial impact to services during the pandemic and its response.
- 5.4 **Option Three** - Defer the review of the programme for one year. Offer all organisations who have continued to provide services associated with their grant funding throughout lockdown and the Covid-19 pandemic a twelve month extension on their current terms, taking account of any savings and service pressures, plus an appropriate provision for inflation.

### **6 Option Appraisal**

- 6.1 **Option One** – A ‘light touch’ review is not appropriate for the value of the grant programme, which is currently in excess of £1.5million over three years. This is particularly so when considered in the context of the significant and as yet not fully understood impact of Covid-19 on communities in Test Valley.

- 6.2 A light touch review would almost certainly fail to fully comprehend and account for the nature and extent of the impact of Covid-19 on communities and the services provided by funded organisations over the next three years.
- 6.3 **Option Two** – This would provide a boost to the financial security of funded organisations whilst also allowing time for a more comprehensive review of the programme to be undertaken before bringing recommendations for a three-year funding programme to commence in April 2022.
- 6.4 However, by not seeking to understand where organisations may have made savings as a result of not providing services they are funded for, we risk over paying or funding additional activities outside the scope of the grant funding.
- 6.5 **Option Three** - This would also provide a boost to the financial security of funded organisations whilst allowing time for a proper review of the programme to be undertaken before bringing recommendations for a three-year funding programme to commence in April 2022.
- 6.6 Asking organisations which ceased providing services during Covid-19 to account for any savings they may have benefitted from demonstrates proportionate action to ensure proper use of Council funds.
- 6.7 Under this option, where an organisation demonstrates they have not made a saving, or the saving is negligible, they would be offered a twelve month extension on their current terms, plus an appropriate provision for inflation.
- 6.8 Where organisations have made a significant saving, they would be offered a twelve month extension on their current terms plus an appropriate provision for inflation subject to the organisation either:
- a) Offering to take a corresponding reduction in the amount of their grant for the one year extension.
- Or
- b) Providing evidence of both a need and a plan to utilise the surplus to temporarily increase capacity as a direct result of the impact of Covid-19 on their client base.
- 6.9 By inviting organisations who have made a saving to either offer up a reduction or utilise the saving in direct response to the impact of Covid-19, we are offering flexibility and an opportunity to boost services where there may be a particular need in response to Covid-19, within current budgets.
- 6.10 Option three is the recommended option.

## **7 Risk Management**

- 7.1 An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified at this time.

## 8 Resource Implications

- 8.1 There is no direct financial pressure posed by the recommended option. Option three may provide modest savings where organisations have ceased services and offer to take a corresponding reduction subject to approval of the Council's full Budget in February 2021.

## 9 Legal Implications

- 9.1 There are no legal implications of approving the recommendations of this report.

## 10 Equality Issues

- 10.1 The EQIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.

## 11 Wards/Communities Affected – All

## 12 Conclusion and reasons for recommendation

- 12.1 Approval is sought to undertake the actions detailed in option three. This will provide valuable stability to the third sector which will play an important role in the successful recovery of communities in Test Valley whilst demonstrating due diligence in regards to the use of public funds. It will also allow time for an appropriately delivered review of the programme before committing to a three year cycle.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Community and Leisure) Councillor I Jeffrey			
Officer:	Dave Growcott	Ext:	8606
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