

**Cheltenham Borough Council
Cabinet – 21st September 2010
Community Investment Grants**

Accountable member	Councillor John Webster Cabinet Member Finance and Community Development
Accountable officer	Kathryn Chamberlain Head of Service Stronger Communities
Accountable scrutiny committee	Social And Community
Ward(s) affected	All – CVCA Hesters Way Oakley
Executive summary	The council's three year funded community investment grants are now in their final year of funding arrangement. A final review has been undertaken by a working group on behalf of Overview and Scrutiny Social and Community who have endorsed their findings and specific representations to be submitted to Cabinet for consideration when determining the future community investment grant funding arrangements.
Recommendations	<p>1.To receive the findings of the Overview and Scrutiny Social and Community's final review of the council's community investment grants 2008-2011 as per Appendix 1.</p> <p>With reference to the outcomes of the review group and subject to the council's budget process:</p> <p>2) Cabinet agree in principle to continue to award funding to each of the named three organisations via Community Investment Grants, with levels determined subject to the council's budget process and with the following provisos:</p> <p style="padding-left: 40px;">a) That Hester's Way and Oakley regeneration partnerships continue to work with officers to identify potential collaborative models to achieve efficiencies. Consideration will be given to an annual reduction in the grant, which will be built into each year of the funding period going forward for both Hester's Way and Oakley.</p> <p style="padding-left: 40px;">b) To allocate funding in principle, to each of the named organisations, for a grant term period of five years commencing on 1st April 2011. Each award of grant to be for a term of an initial period of three years, with an opportunity for a formal extension of the grant period for a further two years, conditional upon i) satisfactory performance by the organisation, ii) the availability of funding and iii) that the grant continues to meet corporate priorities.</p> <p>3) Cabinet delegates authority to the Assistant Director, Community Services, to complete any grant documentation required, in</p>

consultation with the Cabinet Member Finance and Community Development and on terms approved by the Borough Solicitor and Monitoring Officer

Financial implications	<p>Funding at existing levels is currently built into the council's medium term financial strategy; this will always be subject to the annual budget setting process and satisfactory performance.</p> <p>Any reduction in grant funding would be built into the medium term financial strategy, subject to Council approval as part of the 2011/12 budget setting process.</p> <p>An extension in the current grant term will be a financial commitment for an increased period and no further budget review will be possible until the end of the 5 year term.</p> <p>Contact officer: Sarah Didcote , sarah.didcote @cheltenham.gov.uk, 01242 264125</p>
Legal implications	<p>The existing grant agreements do not need to be formally terminated as they will expire through the passage of time. Any new grants awarded will be formalised with new grant agreements, using Community Investment Grant documentation as previously approved, but with adaptations to allow for the extension of the grant term from three years to five years if the relevant conditions are met.</p> <p>Contact officer: Nicolas Wheatley, Solicitor, One Legal, nicolas.wheatley@teWKesbury.gov.uk, 01684 272695</p>
Key risks	<p>An extension in the current grant term will be a financial commitment for an increased period and no further budget review will be possible until the end of the 5 year term.</p> <p>The loss or reduction in current levels of grant funding will impact on the level and delivery of services and provisions offered by the organisations and/or the sustainability of the organisation receiving grant funding.</p> <p>The ability to deliver to the outcomes in the corporate strategy would also be affected if funding is removed or reduced and alternative capacity is not identified.</p>

<p>Corporate and community plan Implications</p>	<p>All three organisations contribute to the following outcomes of the Community Plan 2008-2011:</p> <ul style="list-style-type: none"> • Promoting community safety • Promoting sustainable living • Promoting a strong and sustainable economy • Building healthy communities and supporting older people • Building stronger communities and supporting housing choice • Focus on children and young people • Investing in environmental quality <p>All three organisations contribute to the following outcomes and activities in the Corporate Strategy 2010 to 2015:</p> <ul style="list-style-type: none"> • Strengthening our communities: <ul style="list-style-type: none"> – Communities feel safe and are safe – People are able to lead healthy lifestyles – Our residents enjoy a strong sense of community and are involved in resolving local issues
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1. Background

1.1 The council currently awards three year funded community investment grants, awarded by the Community Services Division. The following organisations are currently funded as listed below:

Organisation	Primary function	Current 2010-2011 funding	Total funding awarded 2008-2011
Hesters Way Regeneration Partnership	An umbrella organisation comprising partners whose aims are to facilitate a sustainable community in greater Hesters Way.	£42,200	£126,600
Oakley Regeneration Partnership	Acts as a lead organisation in stimulating regeneration activity to address local need in Oakley area.	£42,200	£126,600
Cheltenham Voluntary and Community Action	The main functions of the service are to support the development of the voluntary and community sector (VCS), facilitate the collective voice of the VCS through the Cheltenham VCS Forum, to be the VCS Compact champion, and to co-ordinate the representation of VCS on strategic partnerships in the town.	£34,000	£102,000

1.2 All of the Community Investment Grants are now in the final year of their grant funding and will cease on 31st March 2011. They have therefore been subject to a final review undertaken on behalf of Overview and Scrutiny Committee. Details of the review process is described in sections 1, 2 & 3 of O&S' report dated 12th July 2010, attached as appendix 1. The review activity also included Councillor John Webster as Cabinet Member Finance and Community

Development.

1.3 The focus of the reviews was to consider the level and quality of performance each organisation had delivered in respect of the grant funding and required outcomes. The review was to also determine the relevance of the service(s) in meeting the needs of the identified community; the strength of the organisation corporately and also its demonstration of value for money during the grant period.

1.4 Section 4 of Appendix 1 describes the key points and issues the O&S working group raised following analysis of performance information submitted by the organisations and a subsequent interview with each party.

2. Reasons for recommendations

2.1 Outcome of performance review

2.1.1 Section 5 of Appendix 1 details the conclusions of the O&S working group which in summary concluded that all 3 organisations had evidenced to the group's satisfaction that they met the review evaluation criteria, with notable achievements listed in section 4.

2.1.2 In recognition of the current uncertainty surrounding the council's financial position, the O&S review group felt that they were not in a position to make specific recommendations regarding future funding levels of the community investment grants, but felt that the following representations and recommendations should be made to Cabinet for due consideration when the council's financial situation and budget requirements were fully understood

2.1.3 *The O&S review group recommends that Cabinet consider the following representations when considering future funding arrangements and levels:*

- *That further consideration with regard to potential collaborative arrangements between the Regeneration Partnerships be fully explored with the aim to achieve improved processes, maximising outcomes and where possible deliver efficiency savings*
- *That the importance of helping community and voluntary organisations to strengthen their infrastructure should be recognised, given their potential future role in the commissioning process*

2.2 Context

2.2.1 The economic climate poses many challenges for the Voluntary and Community Sector. These include potential reductions in funding streams be that in the form of grants, contracts or charitable trusts; reduction in income via diminishing value of assets or reduced ability to generate rental streams; and rising costs of overheads (e.g. transportation etc) all at a time whereby the economic climate will create an increase in demand for services, for example debt advice, domestic violence and mental health services; and all within the context of public sector spending cuts being implemented. There is a lack of alternative funding streams for the infrastructure activities performed by Cheltenham VCA in particular.

2.2.2 It is in this economic context that building community capacity and community resilience becomes increasingly significant

2.2.3 Each of the organisations currently funded have significant roles to play in supporting the local delivery and realisation of the government's Big Society agenda which is centered on giving communities more powers, by supporting the creation of neighbourhood groups and training community organisers; encouraging people to take an active role in their communities, through volunteering and involvement in social action; and supporting co-operatives, mutuals, charities and social enterprises to have greater involvement in the running of public services.

2.2.4 In such an uncertain economic climate is it vital that organisations have a long term core funding foundation from which they can forward plan and develop programmes of activity to ensure the delivery of the outcomes our communities require. The extension to the grant term as per recommendation (v) will award each organisation additional security to ensure continued delivery.

2.2.5 The Council is currently considering how best to respond to the challenges that the public spending review is likely to pose. A key corporate programme currently underway is to consider becoming a commissioning organisation whereby the voluntary and community sector will play an integral role in each of the four processes within the commissioning cycle:

- Analysis

- Planning
- Sourcing/procurement
- Monitoring and review

2.3 Alternative options considered

2.3.1 There is currently no capacity in house to perform the activities delivered through the existing grant arrangements. To transfer the functions in house would also lose the considerable added value that the organisations have secured on the basis of the grant as investment funding.

2.3.2 During the interview discussions regarding collaborative opportunities, as referred to in section 2.1. 3, the assumptions made in the original business case for a single regeneration company model were questioned by the regeneration partnerships. However, there was a commitment by all parties to explore maximising efficiencies through working together.

3. Consultation and feedback

3.1 Appendix 1 details the outcomes of the review undertaken by the review group.

3.2 The VCS round table meetings with the voluntary sector have been used to consult the sector regarding the grant review process and continues to be the forum to discuss approaches to funding and supporting the sector.

4. Performance management –monitoring and review

4.1 Each of the community investment grant recipients currently undergo quarterly and annual reviews in conjunction with officers from Community Services, whereby they report performance information in relation to a monitoring matrix. This matrix is the tool for evidencing the levels and outputs of the organisations' service delivery. Meetings are held to go through the matrix in detail and to discuss how the service delivery is impacting on the outcomes required via the investment grant, linked to the Sustainable Community Strategy and CBC's Corporate Strategy. Through these discussions the organisation and council officers are able to jointly agree the future focus of the organisations' activities and relevant priorities for usage of the grant funding.

Report author: Kathryn Chamberlain Head of Service Stronger Communities

Appendices : 1. Risk assessment

2. Social and Community Overview and Scrutiny Report 12th July 2010

Cabinet Report risk template

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the grants are reduced in value or stopped then this will impact on the level and delivery of services and provisions offered by the organisations and/or the sustainability of the organisation receiving grant funding. This will result in reducing the ability to deliver to the outcomes in the corporate strategy, unless resources are found from elsewhere.	KC	19.08.10	3	5	8	Transfer to 3rd party	Each organisation is currently exploring maximising alternative funding streams	ongoing	Organisations	
	If the grants are reduced in value or stopped, particularly with regard to the Cheltenham VCA, then this will impact on our relationship and framework for working collaboratively with the VCS sector across	SLT	19.08.10	3	5	10	Accept	Review capacity requirements in commissioning programme			Commissioning Framework Programme Board

	the borough and will have implications for our development as a commissioning authority.										
	If the grants to Hesters Way and Oakley Partnerships are stopped then the function of managing the Springbank and Oakley resource centres may have to be funded from elsewhere.	SLT	27.08.10	4	5	20	Reduce		1.03.11	Kathryn Chamberlain/David Roberts	
	An extension in the current grant term will be a financial commitment for an increased period and no further budget review will be possible until the end of the 5 year term, subject to adherence to grant conditions. Consequently this committed expenditure would not be available to meet any Bridging the Gap savings.	SLT	19.08.10	1	4	5	Accept			Mark Sheldon	
	An extension in the current grant term will be a financial commitment to the organisations listed and would prevent	SLT	24.08.10	2	4	8	Reduce	Priorities to be set in partnership with grant recipients and council officers	Quartely meetings	Kathryn Chamberlain /Martin Stacy	CS SDP

	flexibility in provision							via regular monitoring meetings. Scrutiny of governance arrangements to be undertaken via reviews.			
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