

# Corporate Policy and Strategy Committee

10.00am, Tuesday 1 October 2013

## Council Grants to Third Parties 2014/15

<b>Item number</b>	7.3
<b>Report number</b>	
<b>Wards</b>	All

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<b>Coalition pledges</b>	<a href="#">P1, P7, P12, P15, P24, P31, P33, P36 and P42</a>
<b>Council outcomes</b>	<a href="#">CO1, CO2, CO3, CO4, CO6, CO8, CO9, CO10, CO11, CO12, CO14, CO20, CO23, CO26 and CO27</a>
<b>Single Outcome Agreement</b>	<a href="#">SO1, SO2, SO3 and SO4</a>

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# Executive summary

## Council Grants to Third Parties 2014/15

### Summary

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Third sector leaders have requested that the Council's grants to third parties process be subject to 'roll-over' arrangements for 2014/15, to enable fuller participation in the grants to third parties review. The Communities and Neighbourhoods Committee has considered this matter, and has asked that a report be prepared which provides a basis for a response, and any consequent action required by the Council.

Advice has been gathered from officials, which indicates that whilst no significant policy or legal impediments exist with regard to the proposal, the Council is required to demonstrate good stewardship of public funds, and to ensure best value. The Council is also subject to a range of significant financial pressures, and is currently consulting on a draft budget, which may lead to changes in investments to grants to third parties.

Consequently, it is proposed that the roll-over is not granted. However, the annual process could be modified slightly, to enable fuller participation in the review, by suspending the usual application process for current grant recipients for 2014/15. To ensure best value, grant monitoring officers could undertake performance assessments of currently funded groups, and agree targets for 2014/15. Any new applications, which would not be sought proactively, would be assessed against grant aid priorities. A further report, based on these assessments, would be submitted to this committee on 25 February 2014 seeking approval for all grants to third party settlements for 2014/15.

### Recommendations

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It is recommended that the Committee:

- i. does not approve the request for roll-over of grants to third parties into 2014/15;
- ii. agrees to suspend the grants to third parties application process for current grant recipients for 2014/15, to enable fuller participation in the grants to third parties review;
- iii. instructs service area grant monitoring officers to undertake robust financial and performance assessments with all currently grant funded third parties, and to set challenging targets for 2014/15; and
- iv. receives a further report seeking approval for all grants to third parties settlements on 25 February 2014, including any new applications.

### Measures of success

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- 95% of funding agreement reviews occurs within 10 days of the agreed date.
- A minimum of 90% of recipients are satisfied with the support received from their lead service area.
- Recipient performance data around user satisfaction, financial leverage, volunteer activity and levels of proposed target attainment of 90% and above.

## Financial impact

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The request assumed the roll-over of awards based upon current investment levels of £22.95m. However, the challenging budget situation for 2014/15 and beyond, and the budget engagement programme, requires the Council to consider all grant to third party investments. Consequently, the Council cannot agree to a roll-over of funding at current levels into 2014/15.

## Equalities impact

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The Council's funding of third parties through grant aid significantly contributes to the delivery of the Equality Act 2000 general duties of eliminating unlawful discrimination, harassment and victimisation, advancing equality and fostering good relations. There is also a significant contribution to human rights articles relating to a fair trial, freedom of expression, private and family life and prohibition of discrimination. Should there be changes in grant to third parties awards an impact assessment will be completed.

## Sustainability impact

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Grants to third parties contribute to the city's Sustainable Edinburgh 2020 objectives and enable the Council to meet Climate Change (Scotland) Act 2009 Public Bodies Duties.

## Consultation and engagement

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Leading third sector interests have brought forward this notion on the basis of strengthening engagement in the Council Review of Grants to Third Parties. Sector leaders have also agreed to enable broader third sector engagement as part of the Council's discussion on the draft budget.

## Background reading / external references

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- Review of Council Grants to Third Parties – Update Report  
[http://www.edinburgh.gov.uk/download/meetings/id/39773/item\\_8\\_2\\_review\\_of\\_grants\\_to\\_third\\_parties\\_2013\\_14\\_update](http://www.edinburgh.gov.uk/download/meetings/id/39773/item_8_2_review_of_grants_to_third_parties_2013_14_update)
- Council Grants to Third Parties 2013/14 – Proposals for Expenditure  
[http://www.edinburgh.gov.uk/download/meetings/id/38228/item\\_no\\_7\\_1-council\\_grants\\_to\\_third\\_parties\\_2013-14-proposals\\_for\\_expenditure](http://www.edinburgh.gov.uk/download/meetings/id/38228/item_no_7_1-council_grants_to_third_parties_2013-14-proposals_for_expenditure)

## Council Grants to Third Parties 2014/15

### 1. Background

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- 1.1 As part of ongoing discussions with the Communities and Neighbourhoods Committee on the Grants to Third Parties Review, Edinburgh Third Sector Interface partners have requested that all existing council grants are rolled over into 2014/15 at current levels. This would enable third sector organisations to participate more fully in the grants to third parties review.

### 2. Main report

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- 2.1 On 26 February 2013 this Committee approved £22.95m of grant aid to 220 third parties. The Council also agreed, as part of the budget motion, to initiate a review of grants to third parties that would ensure best value for the Council, and enhance financial and organisational stability in the third sector.
- 2.2 Since this time, discussions have taken place between third sector interests and elected members, council committees and community planning fora (e.g. COMPACT Partnership), about the review.
- 2.3 More recently, third sector interface organisations in the City have made a formal proposal to the Communities and Neighbourhoods Committee to roll-over the current pattern of grant investment into 2014/15.
- 2.4 This proposal has been considered by corporate policy and strategy staff, legal services, finance staff and all affected service areas. Feedback is as follows:
- There is no specific legal impediment to the proposition of the roll-over as described. Internal governance arrangements require decisions on process and grant settlements to be taken by this Committee and not the Communities and Neighbourhoods Committee.
  - There is no financial rule which prohibits the roll-over taking place. However, the draft Council budget for 2014 onwards remains subject to detailed consultation and scrutiny, and other significant financial pressures, which may impact on grant settlements.
  - Whilst recognising the benefits of the proposal with regard to cooperative working, COMPACT principles and engagement in the review process, it

is important that rigorous financial and performance assessments take place to ensure best value and good stewardship of public funds.

- 2.5 It is therefore proposed that the proposal for roll-over is not approved. However, the usual grant application process could be suspended for current grant recipients for 2014/15, enabling fuller participation amongst funded groups to participate in the review. To ensure best value and good stewardship of public funds, in place of the usual application process, council grant monitoring officers could undertake rigorous financial and performance assessments, and set robust objectives and targets for 2014/15, for currently funded groups. If there were any new applications coming forward, which would not be sought proactively, these would be assessed in line with grant aid priorities, alongside all other assessments.
- 2.6 The results of these assessments, and final proposals for grants to third parties, would be the subject of a further report to this Committee on 25 February 2014. The Grants to Third Parties Review will also be concluded by February 2014, with final review recommendations scheduled for approval at the 11 February 2014 Communities and Neighbourhoods Committee.

### 3. Recommendations

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- 3.1 It is recommended that the Committee:
- 3.1.1 does not approve the request for roll-over of grants to third parties into 2014/15;
  - 3.1.2 agrees to suspend the grants to third parties application process for current grant recipients for 2014/15, to enable fuller participation in the grants to third parties review;
  - 3.1.2 instructs service area grant monitoring officers to undertake robust financial and performance assessments with all currently grant funded third parties, and to set challenging targets for 2014/15; and
  - 3.1.3 receives a further report seeking approval for all grants to third parties settlements on 25 February 2014, including any new applications.

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### Links

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<b>Coalition pledges</b>	P1 - Increase support for vulnerable children, including help for families so that fewer go into care P7 – Further develop the Edinburgh Guarantee to improve work prospects for school leavers
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P12 - Work with health, police and third sector agencies to expand existing and effective drug and alcohol treatment programmes  
P15 - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors  
P24 – Maintain and embrace support for our world-famous festivals and events  
P31 – Maintain our city’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure  
P33 – Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used  
P36 – Develop improved partnership working across the Capital and with the voluntary sector to build on the “Total Craigroyston” model  
P42 – Continue to support and invest in our sporting infrastructure

**Council outcomes**

CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed  
CO2 - Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities  
CO3 – Our children and young people at risk, or with a disability, have improved life chances  
CO4 – Our children and young people are physically and emotionally healthy  
CO6 – Our children and young people’s outcomes are not undermined by poverty and inequality  
CO8 - Edinburgh's economy creates and sustains job opportunities  
CO9 – Edinburgh residents are able to access job opportunities  
CO10 - Improved health and reduced inequalities  
CO11 - Preventative and personalised support in place  
CO12 – Edinburgh’s carers are supported  
CO14 – Communities have the capacity to help support people  
CO20 – Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central role in the lives and future of citizens  
CO23 - Well engaged and well informed - communities and individuals are empowered and supported to improve local outcomes and foster a sense of community  
CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives  
CO27 - The Council supports, invests in and develops our people

**Single Outcome Agreement**

SO1 - Edinburgh's economy delivers increased investment, jobs and opportunities for all  
SO2 - Edinburgh's citizens experience improved health and

wellbeing, with reduced inequalities in health

SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential

SO4 - Edinburgh's communities are safer and have improved physical and social fabric

**Appendix**

None