

# Cabinet Report



Listening Learning Leading

Report of Head of Corporate Services

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To: CABINET

DATE: 9 July 2020

## Revenue grant scheme

### Recommendation

That Cabinet approves a one-year extension to the council's revenue grant scheme that offers the current recipients funding at the same level as this year (2020/21), conditional towards the provision of COVID -19 response and recovery services in 2021/22.

### Purpose of Report

1. The purpose of the report is to seek cabinet's approval for a one-year extension of the revenue grant scheme that offers the current recipients funding at the same level as this year (2020/21), conditional towards the provision of COVID-19 response and recovery services in 2021/22.

### Corporate Objectives

2. Approving a one-year revenue grant extension supports the corporate plan objective to create and maintain 'sustainable communities' and in turn strive for communities to help themselves. It also supports the equality objective to support communities to deliver better outcomes for disadvantaged groups and encourage community cohesion.

### Background

3. The council approved four-year revenue grants (2017-2021) to 17 organisations in December 2016 and in March 2017 by ICMD, following recommendations from the Community Grants Panel (January 2017).
4. The grants totalling £1,677,136 were spread over four years so that they reduced gradually each year. They were to the following organisations:

- Oxfordshire South and Vale Citizens Advice Bureau, awarded £614,432
- Community First Oxfordshire, awarded £74,250
- The Chiltern Centre, awarded £100,000
- Be Free, Young Carers (previously South and Vale Carers), awarded £83,508
- Berinsfield Information and Volunteer Centre, awarded £56,814
- Thomley, awarded £97,500
- Nomad Youth and Community Project, awarded £80,000
- Oxfordshire Sexual Abuse and Rape Crisis Centre, awarded £52,500
- Home-Start Southern Oxfordshire, awarded £66,706
- Oxfordshire Association for the Blind, awarded £25,000
- South Oxfordshire Food & Education Alliance, awarded £94,000
- Style Acre, awarded £66,000
- Fish Volunteer Centre, awarded £12,000
- Didcot Train, awarded £79,297
- Riverside Counselling Service, awarded £65,000
- My Life, My Choice, awarded £16,840
- AgeUk Oxfordshire, awarded £93,289

5. These organisations provide essential information, advice, support and services across the district to some of our most vulnerable and isolated residents. We release the annual payments on receipt of satisfactory monitoring information against previously agreed targets. We are currently in the final year of the revenue grant scheme. Officers monitor the progress of the grant closely throughout the award period which includes 'touch base' meetings and an annual review.
6. As part of this year's budget setting, councillors requested a review of the council's grant schemes to feed into the 2021/2022 process. This review is currently on hold as we focus our resources on responding to the current Coronavirus crisis. Given the current situation is expected to continue for some time, a review of grants may not be possible until the end of the calendar year at the earliest. This would not give VCS organisations enough time to prepare for a shortfall or gap in funding as a result of any changes to the current scheme.
7. Officers will schedule meetings with each organisation (September 2020) as part of the existing cycle of award monitoring to ensure targets are on track and will carry out additional due diligence checks on each organisation with a spotlight on their 2021/22 organisational and financial resilience and to ascertain if the organisation has or is planning any COVID-19 response or recovery work in 2021/2022.
8. Any offer of a one-year grant extension is strictly conditional based on the organisation clearly demonstrating COVID-19 response and recovery work for 2021/2022. Officers will assess each of the organisations' viability before releasing any additional funding and will agree new targets to reflect their work in responding to and recovering from COVID-19.
9. These are unprecedented times and whilst the long-term implications of the pandemic are unknown, there is no doubt as to the crucial role these organisations have in supporting our most vulnerable and isolated residents now, but also next year in recovering from the impact of the situation.

## Options

10. The options for the revenue grant scheme are; to extend it by one year to the current recipients of the funding or to close it as originally planned, whilst a review of the councils grant service takes place. The key considerations for each option are set out below:
- By offering the 17 current recipients of a revenue grant a one-year extension, which would be conditional on them providing services to respond or recover from Covid - 19 in 2021/2022, our communities will benefit from the support and advice they offer as the long-term implications of the pandemic become clear. It will also help to put these organisations' minds at rest that they do not need to apply for funding for 2021/22 when their resources are stretched supporting our residents through the pandemic. Finally, it will allow the council some time for a full and thorough review of all of its grants schemes to take place.
  - To close the scheme as planned at the end of this financial year would cause operational difficulties for the 17 organisations currently in receipt of this funding and could also see a reduction in the services and support offered in the district to our most vulnerable residents, at a time when the long term impact and implications of the Coronavirus pandemic are still unknown.

## Financial Implications

11. Offering a one-year grant extension will commit the council to awarding £333,992 in revenue grants in the 2021/22 budget. This is currently included in the council's medium – term financial plan for 2021/22.
12. Any council decision that has financial implications must be made with the knowledge of the council's overarching financial position. The position reflected in the council's medium-term financial plan (MTFP) as reported to Full Council in February 2020 showed that the council was due to receive £2.2 million less in revenue funding than it planned to spend in 2020/21 (with the balance coming from reserves including unallocated New Homes Bonus). This funding gap was predicted to increase to over £6.5 million per annum by 2024/25 before recent events including delivering a response to the Coronavirus and planning for further changes in Government Grants. Latest estimates show the council funding gap increasing by approximately £2m in 2020/21, before potential in year mitigation, which may worsen further in the medium term due to delayed changes to Business rates income. Every financial decision will be made in cognisance of the need to eliminate this funding gap during the next five years.

## Legal Implications

13. As the current revenue grants policy does not allow for an extension to the scheme the decision to offer a further year of funding requires cabinet approval.
14. In accepting a one-year extension to their current grant, organisations would be agreeing to adhere to the conditions and clauses in their original revenue grant agreement.
15. The council is using its general powers under Chapter 1 of the Localism Act 2011 to offer this funding. At the time of award each of the applications were reviewed and it was considered that the council could provide the funding without this giving rise to

incompatible state aid. We are not aware of any changes to the organisations which would alter this position.

## **Risks**

16. The main risks associated with extending the revenue grant term are reputational and financial:
- Reputational, organisations could encounter financial difficulties during the year which could impact on both the delivery of services to residents and in a worst-case scenario the viability of the organisation continuing. This is not a revenue grant specific risk as any organisation receiving grant funding from the council could encounter financial difficulties. The council already has an established due diligence checking process in place to mitigate against such risk and before any grant is released.
  - Reputational, the one-year revenue grant will only be offered to existing revenue grant recipients. This could lead to concerns over district wide reach and impact. The council has mitigated against this risk as the organisations receiving the grant have significant presence across the district and the grant is conditional upon on COVID-19 response and recovery targets to support residents.
  - By committing the council to a discretionary spend in 2021/2022, the council will potentially increase the need for savings next year as the council adjusts to the financial challenges it faces.

## **Other implications**

17. In line with the public sector equality duties, we have considered the implications of extending the scheme for a further year. Officers will continue to regularly monitor the grants awarded to include both 6-month and 12-month reviews. New targets will be discussed and agreed with organisations to ensure district wide COVID-19 reach and impact. Officers are of the view that no groups will be disadvantaged by this decision. All organisations the council funds through this scheme help to advance equality of opportunity for the communities they provide services for.

## **Conclusion**

18. By offering the current recipients (17 organisations in total) a one-year grant extension, conditional on COVID-19 response or recovery work in 2021/22, our communities will benefit from the support and advice they offer as the long-term implications become clear. It will also help to put these organisations' minds at rest that they do not need to apply for funding for 2021/22 when their resources are stretched supporting our residents through the pandemic.

## **Background Papers**

- ICMD December 2016 – Oxfordshire South and Vale Citizens Advice Bureau revenue grant award
- ICMD March 2017 – revenue grant awards