

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Policy & Resources Cabinet Board

25 July 2017

Report of the Director of Finance & Corporate Services

H. Jenkins

Matter for: Decision

Wards Affected: All Wards

Third Sector Grant Funding – Application arrangements for 2018/19

Purpose of Report

1. To seek Member approval to open applications to Third Sector organisations to apply for grants for 2018/19 in line with the Council's Third Sector Grant Funding Scheme.

Executive Summary

2. This report seeks Member approval to continue to support strategic Third Sector partners for the final of their three year "long term" agreements. It also seeks to receive applications for funding from other Third Sector organisations by 29 September 2017 in line with the Council's Third Sector Grant Funding Scheme.

Background

3. Following consultation with the Third Sector, the Council approved its Third Sector Grant Funding Scheme at the meeting of 23rd July 2015. A copy of that Funding Scheme is attached at Appendix 1.
4. In line with the Scheme the Council is required to promote the Scheme and to seek applications by September of each year with final determinations on grant awards being taken by the end of December prior to the relevant financial year.

5. For 2016/17 the Council approved 9 strategic partners to whom three year funding agreements were put in place. 2018/19 will be the final year of those 3-year agreements. The actual amount of grant payable in 2018/19 will be confirmed by Members at the December meeting subject to that organisations delivering the grant agreement outcomes. The following table shows the current year's grant awarded to each organisation.

Organisation	Grant Awarded 2017/18	Overview of outcomes to be delivered:
1. Canolfan Maerdy	£17,837	Ensuring children, families and the local communities in the Amman Valley have access to, or can get involved in developing services that promote wellbeing and opportunities to improve their quality of life.
2. Citizens Advice Bureau	£78,939	Offer advice that is free and independent. Demand for advice comes from people in poverty, through lack of money, debt or low paid work, inability to afford quality products and services.
3. DANSA Transport	£31,520	The provision of affordable and accessible transport.
4. DOVE Workshops	£33,736	The advancement of education, training and retraining of people in the Neath, Dulais and Swansea Valleys.
5. Glynneath Training Centre	£41,819	The advancement of education, training and retraining of people in the Glynneath Area.
6. NPT CVS - Core Funding Contribution	£43,435	To support, promote and develop the participation of voluntary organisations, community groups and individuals in the voluntary sector in Neath Port Talbot.
7. NPT Shop Mobility	£35,469	To improve Town Centre access through the provision of electric scooters and wheelchairs to disabled people and mobility impaired people in Neath and Port Talbot town centres.

Organisation	Grant Awarded 2017/18	Overview of outcomes to be delivered:
8. Ystalyfera Development Trust	£14,959	The advancement of education, training and retraining of people in the Ystalyfera and Godre'r Graig areas.
Total	£297,714	

Assessment of Grant Applications for 2018/19

6. An inter-departmental group is in place to consider all applications in line with the relevant assessment criteria, to ensure consistency and equity in the assessment of the applications received. The outcome of this work will be reported back for Member decision in December 2017.

Financial Appraisal

7. The attached Scheme shows under Principle 6 – Fair Funding Levels that the amount of grant available in each year of the Agreement will vary in line with the Financial Settlement the Council receives from Welsh Government. The budget for the current year totals £413,630 and the Welsh Government Provisional Settlement for 2018/19 is expected in October 2017. The indications from the Welsh Government are that the funding levels will not be as favourable as what has been received in the most recent years and Members will recall that the All Wales average settlement for 2017/18 was an uplift of 0.2%. Therefore we are expecting a reduction in the funding settlement for 2018/19.
8. The following table shows the budget and allocations to the various Third Sector categories for 2017/18.

Table 1

Budget	2017/18
Strategic Partners - Year 2	£297,714
One off grants – Community Safety and Miscellaneous	£15,000
Other	£100,916
Total base budget	£413,630

9. Members should also note that a reserve was created at the end of 2016/17 financial year which carried forward uncommitted amounts into the current year. It is projected that as at the end of March 2018 a cumulative reserve of £32,295 will be available in 2018/19.
10. Thus it is projected that there will be a maximum budget of £445k available for 2018/19. Of this amount some £133k is likely to be available for new applications in line with the Council's Priorities and funding scheme. This will be updated for the grant approval meeting due December 2017.

Equality Impact Assessment (EIA)

11. The Equality Act 2010 requires public bodies to "pay due regard to the need to:
 - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - Foster good relations between persons who share relevant protected characteristics and persons who do not share it."
12. An Equality Impact Assessment was completed as part of the development of the Grant Scheme and all applications have been considered in alignment with that Scheme and therefore no further Equality Impact Assessment is required.

Workforce Impact

13. There is no workforce impact.

Legal Impact

14. All successful grant recipients will be required to sign a Grant Agreement.

Risk Management

15. The successful grant recipients will assist the Council to provide important services within the County Borough or specific areas.

Recommendations

16. It is recommended that Members:
 - Approve the promotion of the Third Sector Grant Scheme and to receive applications by 29 September 2017.

Reason for Proposed Decision

17. To seek applications from Third Sector organisations for grants for 2018/19 in line with the Council's Third Sector Grant Funding Scheme.

Implementation of Decision

18. The decision is proposed for implementation after the three day call in period.

Appendices

Appendix 1 – Third Sector Grant Scheme

List of Background Papers

The Neath Port Talbot Third Sector Grant Funding Scheme.

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Appendix 1

Neath Port Talbot Third Sector Grant Funding Scheme

Introduction

During 2013, the Council undertook a review of existing grants to Third Sector and Community Sector Organisations in Neath Port Talbot. As well as making recommendations as to where funding could be reduced in order to achieve Council savings targets, the review identified a number of recommendations to improve the way in which grants are administered. These were approved by the Council's Policy & Resources Scrutiny Committee on 13th December 2014.

In January 2014, the Welsh Government published their revised Third Sector Scheme. The Welsh Government Scheme underpins the relationship between Welsh Government and the Third Sector in Wales and discharges duties under section 74¹ of the Government of Wales Act 2006.

This Neath Port Talbot Scheme has been developed to take forward the recommendations in the 2013 Council review. It has been developed using the principles set out in the Welsh Government's Scheme reflecting Welsh Government's expectation that councils will embrace good practice in their relationships with the Third Sector.

Aims

Neath Port Council has had a long and productive relationship with the Third Sector. The Council has grant funded Third Sector organisations to support our communities in a wide range of ways. The Council recognises and values the contribution of the many volunteers and third sector organisations that play an important role in supporting the wellbeing of local people and communities.

¹ In this Section, Welsh Ministers are required to make or review a voluntary sector scheme which sets out how they propose to promote the interests of relevant voluntary organisations'

However, times have and continue to change. The severe and enduring cuts to local authority budgets mean we must target available funds in a manner that supports the Council's priorities. Indications are that austerity measures will continue at least into the medium term. Grant assistance arrangements must reflect this.

This Scheme aims to:

- Make the grant funding process clear, transparent and equitable;
- Ensure the administrative arrangements that support grant funding efficient and effective; and
- Foster genuine partnership working between the Council and the Third Sector to promote the wellbeing of local people and communities.

Scope

This Scheme covers:

- Grant funding provided from the Council's own revenue resources
- Grants of benefits "in kind" e.g. rent-free periods granted to organisations in the Council's property portfolio

Grants distributed from Welsh Government directly to the Third Sector by way of specific grant are governed by the Welsh Government Third Sector Scheme, the principles of which are reflected in this Scheme.

This scheme does not cover grants provided to the Council by other parties as the specific conditions of those grants would need to be applied.

Definition of the Third Sector:

The Council has adapted the definition provided in Section 74 of the Government of Wales Act for the purpose of this Scheme:

"...bodies other than local authorities (or other public bodies) whose activities:

- are carried on otherwise than for profit; and

- directly or indirectly benefit the whole area or any part of Neath Port Talbot

The Council acknowledges that this definition covers a very diverse range of organisations that share a set of values and characteristics which include:

- Independent, non-governmental bodies;
- Bodies established voluntarily by people who choose to organise themselves;
- Bodies which are “value driven” and motivated by social, cultural or environmental objectives, rather than simply to make a profit; and
- Bodies committed to reinvesting their surpluses to further their social aims and for the benefit of people and communities.

Third Sector organisations include community associations, self-help groups, voluntary organisations, charities, faith-based organisations, social enterprises, community businesses, housing associations, development trusts, co-operatives and mutual organisations.

Grant Funding – Commissioning Arrangements

The Council wishes to adopt an outcomes-based approach to the way in which it determines its grant funding arrangements. It will be the intended results of activity to be grant funded, not the activity itself that will be the key consideration in determining whether the Council will provide grant assistance, subject to the Council being provided with sufficient assurance on associated governance arrangements.

Grants can provide financial support to Third Sector organisations to enable them to undertake activities the Council wish to support. They may be aimed at assisting with the core costs of running and developing an organisation or more specifically to help it carry out a particular project or service. Generally, the Council will consider awarding a grant where organisations undertake activities that support the Council’s policies and priorities. Where the Council wishes to obtain goods or services for direct benefit or use then the Council would expect those

arrangements to operate under the Council's procurement policies and procedures.

The Council will set out its priorities on an annual basis as part of its corporate planning cycle. Grant assistance will be administered in accordance with the principles set out in this Scheme. Grants may be awarded for up to three years

Applications for grant assistance will need to be made via a standard form that will be publicly available and published on the Council's website. Any timetable for submitting and agreeing grants will also be set out on the website. The Council will provide the contact details of officers who can offer support and advice to organisations who may be considering making a grant application. Where a funding bid is complex, organisations are encouraged to discuss their proposed bid prior to submitting an application. The Council will formalise grant assistance through a legally binding grant agreement. The agreements will contain standard grant conditions to promote consistency and fairness and to minimise administrative costs for all parties. Where the Council decides not to award grant assistance, the Council will provide written feedback to the applicant, summarising the reasons why the grant application has been refused. There will be no right of appeal against the Council's decisions.

Review and Monitoring

The Leader of the Council is the portfolio holder for relationships with the Third Sector and ultimately responsible for this Scheme. The Senior Officer responsible for the Scheme is the Director of Finance and Corporate Services. This Scheme will be used by all departments of the Council. Its operation will be monitored by the Voluntary Sector Liaison Committee and reviewed no less frequently than every three years.

Neath Port Talbot Third Sector Grant funding Scheme

Principles

The key principles that will govern our approach to grant funding the Third Sector and what is expected from the Third Sector in return are set out in this section.

Principle 1 – Supporting Council policies and priorities

i) Demonstrate contribution to the delivery of key priorities

Grant applications will need to demonstrate how proposals will support the delivery of the Council's policies and priorities. These are summarised in Council's Corporate Improvement Plan.

ii) Lever in additional resources (multiplier effect)

Applications that demonstrate how Council funding will be used to lever in additional financial resources in support of Council policies and priorities are particularly welcomed.

iii) Sustainable organisations

Applicants will need to demonstrate financial sustainability. The Council will wish to be satisfied that the applicant is not dependent on continuing Council funding to achieve financial sustainability.

Principle 2 – Respect for the Sector's independence

The Council recognises Third Sector organisations are value driven, motivated by social, cultural or environmental objectives and committed to reinvesting their surpluses to further their social aims and for the benefit of people and communities. The Council respects the sector's independence.

The Council acknowledges and encourages the Third Sector's ability to raise funding through non-statutory routes and deliver services that complement or are additional to those provided by statutory agencies

and which, in particular, operate to prevent or reduce demand on public services.

Principle 3 – Early and constructive dialogue

The Council is committed to early discussions with the Third Sector to support a strategic approach to delivering key priorities and to allow for better planning of services. The Council will seek to provide opportunities to discuss applications well in advance of the formal application deadline.

It is expected that in return, the Third Sector will engage constructively in this dialogue and respect the limitations on dialogue imposed by the need to ensure fairness and transparency in respect of grant funding decisions.

Principle 4 – Timely decisions

The Council recognises that early decision making in respect of funding can support better business and workforce planning. The Council's commitment is the notification of decisions about future funding at least three months prior to the expiry of an existing funding agreement or the start of a new agreement. Where funding has been granted for more than one year, a review will be completed 3 months before the commencement of the second or third year to confirm funding will continue. If an offer in principle has been made, this must also be confirmed three months prior to the expiry of the current funding.

Principle 5 – Security of funding

In a climate of reducing resources and escalating need, security of funding is an issue felt across all sectors. The Council acknowledges that sometimes short term funding can cost more administratively and will be prepared to consider longer term funding commitments wherever possible to minimise administration costs. The Council will be prepared to provide funding for up to 3 years which will provide Third Sector organisations with the security to apply for funding from other sources and enable a longer term approach to planning and securing sustainability.

Principle 6 – Fair funding levels

It is reasonable to expect that funding pressures placed upon local authorities will be reflected in the level of grant funding available to the Third Sector. Therefore, where the Council has granted funding for more than one year, the amount of grant available in each year of the agreement will vary to reflect the financial settlement the Council receives from the Welsh Government. The Council will generally seek to notify organisations of the uplift or reduction to be applied by 31st December each year.

Principle 7 – Value for money

1. Tax payers' money must be used economically, efficiently and effectively. The Council aims to achieve the best possible level of outputs and outcomes of acceptable quality at the lowest cost. Third Sector organisations who receive grant assistance are expected to ensure the economic, efficient and effective use of public money. Applications and associated monitoring arrangements will need to demonstrate:
 - i. The need for intervention
 - ii. The purpose to which funding will be put

- iii. The outputs and outcomes to be achieved
- iv. Other sources of funding accessed
- v. How activities will be evaluated
- vi. Financial probity and sustainability

Principle 8 – Full Cost Recovery

The Council acknowledges the principle of full cost recovery. The Council recognises that other funders sometimes render certain expenditures ineligible and the award of grant assistance from the Council may be sought to complete a funding package.

Principle 9 – Commissioning Principles

Grant arrangements will be outcomes focused linked to the Council's policies and priorities which will be summarised in the Council's Corporate Improvement Plan.

Principle 10 – Payments

The Council will make grant payments in advance (i.e. before the grant recipient has incurred the expenditure) as it recognises that most Third Sector organisations do not hold large reserves and do not have the resources available to undertake work and receive payment afterwards. The payment will be made after the commencement of the relevant financial year. The frequency and timing of payments will be set out in the grant agreement. Electronic payment is preferred to minimise administrative burdens on both the Council and Third Sector organisations.

Principle 11 – Fair and Reasonable Treatment

This Scheme commits the Council to consult openly and meaningfully with the Third Sector on changes to this Scheme and associated arrangements. The Council will aim to provide a minimum period of 12 weeks consultation period where changes to the Scheme and its associated arrangements are proposed. Additionally, the Council will aim to provide 12 weeks notice before changes are made to the Scheme or decisions are made which would lead to a withdrawal or significant reduction of grants.

In return, Third Sector organisations are asked to cooperate fully during this consultation / notice period and use it as an opportunity to positively contribute to the discussion with departments or policy / service areas.

The Council upholds the need for clarity in what is being funded by defining and agreeing outcomes with recipients of funding. These outcomes should be set out transparently in the funding agreement to ensure fair and reasonable treatment of organisations and shared and agreed expectations for service delivery.

Principle 12 – Joint approach to monitoring, evaluation and audit

The processes of monitoring and evaluation must be consistent, proportionate and reasonable. The Council will set out the details for monitoring and evaluation in procedural guidance and in its grant agreements. The Council expects its internal audit service to have access to documents and information (including access to interview senior officers and board members) relating to monies provided by the Council. Recipients of funding agree to give assistance, information and explanation to the internal audit service or such other officers as the Council may so require as a condition of funding.

Principle 13 – Identifying Expertise and Developing Capability to Deliver

The Council is committed to working with the Third Sector to identify areas of expertise and to support organisations and individuals to take the lead in or contribute to the implementation of new policies. The Council welcomes applications for grant funding that build capacity and capability within the Third Sector across Neath Port Talbot to secure the sustainability of services.

Principle 14–Diversity and Equality

The Council recognises the diverse needs of people and communities across Neath Port Talbot and the variety of services required to meet these needs. Diversity in this context is about maintaining a range of accessible services to meet a variety of individual and collective needs; locally based and run services, as well as larger services; and different models of services to meet different needs.

The Council is required under the Equalities Act 2010 to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations amongst and between people of different protected groups.

Third Sector organisations will be expected to demonstrate in their applications how they promote both diversity and equality in the planning and delivery of their services.

Principle 15– Innovation

The Council is committed to working with the Third Sector to identify innovative practices that improve the delivery of public services, including where appropriate, exploring new funding models.

Principle 16– Good Governance and Due Diligence

The Council will apply good governance and due diligence in the way it administers this Scheme and expects Third Sector grant recipients to demonstrate good governance and due diligence both in the application process and through monitoring arrangements. The Council will seek specific assurances about governance arrangements, including the development accessed by trustees or directors during the application process and in any annual review process.

Principle 17– Monitoring the Scheme

The Voluntary Sector Liaison Committee will provide the mechanism for joint monitoring of this Scheme. The Council commits to reviewing this Scheme no less frequently than every 3 years.