

Cabinet Report



Report of Head of Corporate Services

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To: CABINET

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Partnership grants

Recommendations

That Cabinet:

- (a) Approves a one-year extension of the partnership grants for, Oxfordshire South and Vale Citizen's Advice Bureau and Wantage Independent Advice Centre at the same level of funding as this year (2020/21) towards the provision of services across the district in 2021/22.
- (b) Approves a two-year extension of the partnership grant for Community First Oxfordshire at the same level of funding as last year (2019/2020) towards the provision of services across the district in 2020/2021 and 2021/2022.

Purpose of Report

1. The purpose of the report is to seek cabinet's approval;
 - for a one-year extension of the partnership grants to Oxfordshire South and Vale Citizen's Advice Bureau, Wantage Independent Advice Centre at the same level of funding as this year (2020/21) towards the provision of services across the district in 2021/22.
 - for a two-year extension of a partnership grant for Community First Oxfordshire at the same level of funding as last year (2019/2020) towards the provision of services across the district in 2020/2021 and 2021/2022.

Corporate Objectives

2. Approving these partnership grant extensions 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 has awarded partnership grants to organisations in the district towards their running costs for many years. There was no formal policy in place for these grants, so over the years the council has taken the decision to reduce these (and the associated budget) to those organisations where we have ongoing commitments, or the services being provided benefit a significant number of residents.
4. The council currently funds four organisations:
 - Oxfordshire South and Vale Citizen's Advice Bureau 4-year grant, £384,763 (ICMD April 2017)
 - Wantage Independent Advice Centre 3-year grant, £174,000 (ICMD March 2018)
 - The Albert Memorial Abingdon Trust 3-year grant £800 per annum (ICMD March 2018)
 - Community First Oxfordshire (CFO), £8,000 annually (ICMD March 2018)
5. We are not proposing a one-year extension to the Albert Memorial Abingdon Trust as 2020/2021 is the last year the council is tied into a charitable trust agreement and committed to contributing to the memorial's maintenance fund.
6. The partnership grant for Community First Oxfordshire is awarded annually subject to there being sufficient budget available and on receiving a satisfactory business case from the organisation. CFO has submitted a project proposal for 2020/2021 and 2021/2022, requesting the same level of funding as in previous years, (background papers 3). Officers monitor the progress of the grant closely throughout the award duration which include 'touch base' meetings and an annual review.
7. Oxfordshire South and Vale Citizens Advice Bureau, Wantage Independent Advice Centre and Community First Oxfordshire 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 partnership grants. Officers closely monitor the progress of the grant throughout the award duration which include both 6-month and 12-month formal reviews.
8. 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 these organisations enough time to prepare for a shortfall or gap in funding as a result of any changes to the current scheme. 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 focus on organisational resilience and any changes in financial circumstances.

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 partnership grant scheme are; to extend it by one/ two years 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 these three organisations grant term extensions, 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 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 three 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 grant extension will commit the council to awarding £154,920 in partnership 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 £0.2 million less in revenue funding than it planned to spend in 2020/21, rising to £2.8 million in 2021/22 (with the balance coming from unallocated New Homes Bonus which will be depleted by 2023/24). This funding gap was predicted to increase to over £6.2 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 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. The decision to offer a further grant term extension requires cabinet approval.
14. In accepting a grant term extension, organisations would be agreeing to adhere to the conditions and clauses in their original partnership grant agreements.

15. South and Vale Citizens Advice Bureau (S&VCAB): At the time of award external legal advice on the state aid regulations confirmed that whilst S&V CAB would receive more than the De Minimis amount of state aid over the period of the grant it would be exempt as the grant is to provide non-economic advisory services to residents on a non-discriminatory basis. This remains the position.

Wantage Independent Advice Centre (WIAC): At the time of award there was also a strong argument that the WIAC's activities were not economic and state aid only applies to economic activity. All services are provided on a non-discriminatory basis. Extra provisions to reduce any risk in this regard were included in the grant agreement and these terms will continue in the grant extension period to continue to mitigate any risk.

Community First Oxfordshire: In order to protect the position of the council the grant funding will be provided as De Minimis state aid and the organisation will be advised of this in writing.

Risks

16. The main risks associated with extending the partnership grant term are reputational and financial:

- Even with the additional year's funding organisations could encounter financial difficulties, 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 partnership 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 a risk before any grant is released.
- By offering an extension to existing partnership grant recipients only it 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 which includes COVID-19 support for 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 grant awards to include both 6-month and 12-month reviews. New targets will be discussed and agreed with the organisations to ensure district wide reach and impact. Officers are of the view that no groups will be disadvantaged by this decision. All organisations the council fund through this scheme help to advance equality of opportunity for the communities they provide services for.

Conclusion

18. By offering Oxfordshire South and Vale Citizens Advice Bureau, Wantage Independent Advice Centre and Community First Oxfordshire grant term extensions, our communities will benefit from the support and advice they offer as the long-term

implications of the coronavirus 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.

Appendix

- Community First Oxfordshire – 2-year project proposal

Background Papers

- Cabinet member decision April 2017 – Partnership grant award
- Cabinet member decision March 2018 - Partnership grant awards