

CABINET – 29TH OCTOBER 2009

Report of the Director of Governance and Procurement

ITEM 13 CHARNWOOD GRANTS – 2009/10 FUNDING FOR JOHN STORER HOUSE FOUNDATION

Purpose of Report

To enable Cabinet to consider funding arrangements for the John Storer House Foundation following the end of the previous service level agreement with the Foundation and Voluntary Action Charnwood.

Recommendations

1. That the John Storer House Foundation be awarded a grant of £44,000 for 2009/10 to support the objectives set out in Table 1 and that the John Storer House Foundation be asked to provide the monitoring information set out in Table 2.
2. That the Director of Governance and Procurement be given delegated authority to make minor changes to the terms of the grant award.
3. That the results of the planned review of the Charnwood Grants scheme be submitted to a future meeting.

Reasons

1. To provide financial support to enable the John Storer House Foundation to provide services which support the Council's Corporate Plan priorities and the objectives of the Charnwood Grants scheme.
2. To enable the grant award to be finalised with the John Storer House Foundation.
3. To enable Cabinet to consider the results of the review and how the resources available can best be used to support the Council's Corporate Plan priorities.

Policy Context

The Council's Corporate Plan includes the aim of People Matter which seeks to improve the wellbeing of residents, acknowledging their diverse needs. In November 2007 the Council's grants schemes were brought together as Charnwood Grants to enable the Council to more effectively support organisations that help deliver the Council's objectives. A review of the grants awarded through the Council's Charnwood Grants scheme will be undertaken between now and the start of the 2010/11 financial year.

Background

The Council has for many years provided financial support to the John Storer House Foundation (JSHF) and Voluntary Action Charwood (VAC) which is located at John Storer House to fund their work in providing recreational and educational facilities for the citizens of Charnwood and developing and supporting the voluntary sector in Charnwood. This grant was paid on the basis that it was a joint grant for JSHF and VAC and it was left to the two organisations to allocate the grant between themselves and was supported by a service level agreement. The Council also provides a separate grant to the Citizens Advice Bureau which is currently located at John Storer House.

On 26th March 2009, Cabinet considered a report on the establishment of a new county-wide voluntary and community sector infrastructure (minute 187 refers). The new arrangements replaced the existing Voluntary Action organisations with a single Countywide Infrastructure Organisation (CIO) and a series of community hubs. In order to implement these new arrangements, Cabinet resolved to replace its previous grant to VAC with a contribution of £25,000 to the Voluntary and Community Sector Infrastructure Funders' Consortium. The Council's budget for 2009/10 included provision for a grant of £78,000 for JSHF and VAC and Cabinet, therefore, also resolved that a new service level agreement be drawn up between the Council and JSHF to support a grant of up to £53,000. Subsequently, as part of the managed savings programme the inflation adjustment was removed from the budget, reducing it to £51,400.

Following Cabinet's decision in March, Council officers have had discussions with JSHF aimed at establishing the new funding arrangements and developing a new service level agreement. As stated above, a review of the grants awarded through the Council's Charnwood Grants scheme will be undertaken between now and the start of the 2010/11 financial year and it is therefore sensible for the grant funding for JSHF in 2009/10 to be considered for the current financial year only. The result of the discussions with JSHF and the consideration of the issues relating to the level of grant to be awarded are set out below in the form of the information that would comprise either a service level agreement or an application for grant funding. However it is not proposed that the funding arrangements for this year are formalised in a service level agreement because of the upcoming review.

The offer of grant funding and the associated conditions would need to be approved by the trustees of JSHF and it is recommended that the Director of Governance and Procurement be given delegated to make minor changes to the terms of the grant award that are required as a result of those further discussions.

What the grant will fund

John Storer House was opened in 1966. The building provides a community centre and catering service which in turn provide a venue for a variety of well-being activities for individuals, rooms for hire by groups and organisations and permanent accommodation for, among others, VAC, Charnwood CAB and Resolution. the NHS smoking cessations advice and support service.

The aims of JSHF are to manage John Storer House for use as a community and welfare centre and any other charitable purpose for the benefit of the community in the area. The objectives of JSHF are set out in the table below.

Table 1 – Objectives of John Storer House Foundation

Provide permanent and temporary office accommodation for Voluntary and Community Organisations (VCOs)
Enable provision of public services by statutory and voluntary organisations
Enable use of rooms and facilities by individuals and VCOs
Enable promotion of voluntary activities and well-being
Provide a base from which VAC can operate and to co-operate and act jointly with VAC in the delivery of the services of the two charities

These objectives support a number of National Indicators and Local Area Agreement outcomes either directly by JSHF or through the hosting of VAC and other organisations by JSHF.

The well-being services provided at John Storer House include activity groups, self-help groups and the provision of information and advice. These services support the following outcomes and indicators.

- Outcome 1 - Improved life chances for vulnerable people
NI 142 Vulnerable people supported to maintain independent living;
- Outcome 2 - Stronger, more cohesive communities
NI 139 The extent to which older people receive the support they need to live independently at home;
- Outcome 6 - Healthier communities
NI 8 Adult participation in sport and active recreation.

John Storer House also hosts a number of externally funded projects which support LAA Outcomes and National Indicators. These include:

- Charnwood Carers' Service which provides support, advice and information - NI 135 Carers receiving needs assessment or review and a specific carer's service, or advice and information;
- Community Safer Sex project which provides training and resources to help young people to avoid unplanned pregnancy and sexually transmitted infection - NI 112 Reducing under 18 conception rate;
- Charnwood Community Transport which offers a range of transport services
- Resolution NHS smoking cessation and advice service - NI 123 Stopping smoking.

VAC receives LAA funding for the Community Development Service to contribute to Outcome 2, Stronger, more cohesive communities. The project works mainly in the four priority neighbourhoods in Charnwood and seeks to develop social capital through supporting local groups and events. This contributes to the following National Indicators:

- NI 1: People believe people from different backgrounds get on well together in their local area
- NI 2: People feel that they belong to their neighbourhood
- NI 4: People feel they can influence decisions about their locality
- NI 6: Participation in regular volunteering.

In line with the requirements placed on other recipients of grants and in order to show that the Council's funding is achieving the results for which the grant was awarded, JSHF will be required to provide the Council with information about what was achieved during the year. In particular JSHF will be asked to provide the information set out in the table below.

Table 2 – Monitoring Information to be provided by the John Storer House Foundation

Number and details of different groups using the building
Number of well-being activities provided
Number of permanent tenants
Number of volunteers working at John Storer House
Number of new volunteers recruited in year
Number of Friends of John Storer House.

In order for this monitoring information to be meaningful it will be in the form of performance in the year to which the information relates, performance in the previous year (where available) and a brief explanation of any significant differences between the two years.

Level of grant to be awarded

The services that would be delivered by JSHF described above will be funded through the grant provided by the Council and other funding streams, predominantly rents and letting charges for use of John Storer House and income from the catering facility provided at John Storer House. The grant would be used to meet the running costs of JSHF, predominantly salaries, running costs and repairs to the building itself and the costs of operating the catering facility. Discussions have taken place with JSHF relating to the level of funding required to deliver the services and meet the running costs.

Given that this is a new situation, officers have also considered whether the award of a grant of £51,400 for JSHF is an appropriate amount and represents good value for money. As mentioned above the previous grants to JSHF and VAC were made on the basis that it the two organisations could apportion the grant between themselves as they saw fit. According to their accounts the grants awarded between 2004/05 and 2007/08 were apportioned as set out in the table below. Over those four years, the portion of the Council grant allocated to JSHF varied from £29,000 to £55,000 and the average was £42,000. The amount allocated to JSHF has increased over recent years in preparation for the separation of funding of the two organisations and to more accurately reflect the true split of the costs, e.g. salaries, between them.

Year	to 31/3/08	to 31/3/07	to 31/3/06	to 31/3/05
Grant to VAC (£)	19,200	41,418	46,041	24,295
Grant to JSHF (£)	55,000	36,000	29,000	48,000
Total (£)	74,200	77,418	75,041	72,295

The Council also has long-term funding agreements with two other community centres, Fearon Hall and Gorse Covert. The table below compares the turnover of all three organisations and the grant awarded to them in 2007/08 in which the level of the Council's grant allocated to JSHF was most similar to the budgeted amount for 2009/10. For JSHF the Council's grant provided 23% of total income, compared with for 21% for Gorse Covert and 29% for Fearon Hall.

	JSHF	Gorse Covert	Fearon Hall
Grant (£)	55,000	28,800	35,300
Total income (£)	238,107	136,460	122,956
Total expenditure (£)	235,414	122,340	111,790

Taken together this information could justify a grant set at between £42,000 and £51,400. However, there are a number of reasons why Cabinet may wish to award a grant at the lower end of this range. There is uncertainty about the financial resources that will be available for awarding grants in future years and it is possible that after its first year of operation the Council's contribution to the Voluntary and Community Sector Infrastructure Funders' Consortium could be reviewed. In addition, the Charnwood Grants Scheme has seen a significant increase in applications for Community Development Grants this year and the budget for these grants is limited. In order to ensure that there are sufficient resources for providing grant funding to community and voluntary sector groups in this and future financial years a balance has had to be struck between the needs of JSHF and the services it delivers and the financial needs of other community and voluntary sector groups and of the Council.

Based on all of these factors, and having regard to the budgetary implications outlined below it is recommended that the John Storer House Foundation be awarded a grant of £44,000 for the 2009/10 financial year.

Financial Implications

The Council's original budget for 2009/10 identified a combined grant for JSHF and VAC of £78,000. Cabinet's decision of 26th March allocated £25,000 of this as the Council's contribution to the new voluntary and community sector infrastructure arrangements, leaving a balance of £53,000. As part of the managed savings programme the inflation adjustment was removed from the budget, reducing the amount available to £51,400.

As stated above, there has been a greater demand for grant funding from the Council this year compared to recent previous years. It is intended that a review of the grants awarded through the Council's Charnwood Grants scheme will be

undertaken between now and the end of December. One option would be that all the grants above a certain level are considered at the beginning of the financial year. This will enable applications to be considered together and more easily compared with each other. It will also enable grants to be awarded in line with the financial resources available at the beginning of the financial year.

The overall budget position for Charnwood Grants shows that at 20 October 2009 some £280,000 out of a total of £360,000 had been awarded or committed to various community groups. Assuming a grant of £44,000 to the John Storer House Foundation, and other projected awards, this would leave a small underspend, or potential contingency fund, of around £1,000.

Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
There are insufficient resources to award grants to JSHF for 2010/11 and subsequent years	Medium	High	The grant awarded is for 2009/10 only. There will be a review of all the grants awarded through the Charnwood Grants scheme in preparation for 2010/11.
The grant does not deliver the objectives of the Charnwood Grants scheme	Low	Medium	The grant is linked to the provision of services and supported by the monitoring arrangements set out in the report.

Key Decision: No

Background Papers: Service Level Agreement with Charnwood Community Council/John Storer House Foundation

Community Grants budget summary

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