

Report to: Audit and Governance Committee, 23rd March 2022

Report of: Corporate Director – Finance and Resources

Subject: REVIEW OF COMMUNITY SERVICES GRANTS 2021-22

1. Recommendations

1.1 To note the process for managing grant funding to third parties.

2. Information

2.1 Worcester City Council's Community Services are responsible for the administration of small, medium, large, and one-off community grants awarded on an annual basis as well as associated Service Level Agreements, where required. This supports a diverse range of activities and organisations, delivered through a variety of registered charities and not-for-profit local community groups.

2.2 At its meeting of 5 February 2019, the Policy & Resources Committee agreed the current approach to awarding grants based on three tiers of support, as follows:

Large grants: value of £15,000 per annum or higher

Medium Grants: value of between £2,001 and £15,000

Small grants: value up to £2,000.

2.3 Large grants are awarded through Committee decision or approved by officers from previously agreed budgets. Small and medium grants are reviewed by a Grants Panel and are awarded through an annual grants programme based on set criteria. A distinction is made between small grants and medium grants to allow for some instances where a higher award is appropriate but do not need the same level of governance as large grants.

2.4 As part of the 2020/21 outturn report the Policy & Resources Committee approved the creation of a reserve of £50,000 as an additional source of funding towards arts and cultural events, in line with the developing emphasis on arts and culture in the City Plan and through the emerging Cultural Strategy.

2.5 At its meeting of 14 December 2021, the Policy & Resources Committee revised the above arrangements by merging the Small and Medium Grants into one pot with each grant being a maximum of £5,000. The principle of setting aside £50,000 from reserves to support additional one-off requests above this level was also agreed, although this was extended to include requests other than those for arts and culture.

2.6 Following the above changes, the Chair of the Audit and Governance Committee requested a report on the management of grants including processes for checking that the spend was in accordance with the stated objectives.

3. Grant allocations and funding sources 2021/22

3.1 The funding for large grants is in the form of ongoing revenue expenditure, approved annually as part of the budget process. There is a Service Level Agreement (SLA) for each of these and the funding is expected to continue over more than one financial year, even where the SLA is subject to annual review. The list of large grants committed in 2021/22 is shown in Table 1 along with notes on the governance arrangements.

Table 1: Allocation and Funding sources for Large Grants

Community Services Annual Large Grants 2021-22				
Organisation	SLA	Base budget	Reserves	Total
Worcester Live	5 years covering 2020/2025	£110,195	0	£110,195
Lyppard Grange	Annually	£19,060	0	£19,060
3 Choirs Festival*	Annually	0	£8,000	£8,000
Worcester Wheels	Annually	£19,240	0	£19,240
Worcester Festival	Annually	£21,175	0	£21,175
Worcester Community Trust**	5-year Management Agreement to 31/3/23	£76,680	0	£76,680
Worcester 10k Run	Sponsorship agreement Annually	£25,000	0	£25,000
Total		£271,350.00	£8,000	£279,350.00

Notes:

* 3 Choirs Festival is a triennial event in Worcester and there is an annual contribution of £8,000 into a reserve which is then used to fund the event

** Worcester Community Trust has a long term lease arrangement with an associated financial contribution from the Council. The level of the contribution was reviewed in 2018 and the current value is set within a five year plan.

3.2 Each of these grants has a service level agreement which defines the purpose for which the grant must be used. As these tend to be in the form of ongoing support or sponsorship, rather than for a specific event or activity, there is first hand assurance that the grant is used for the relevant purpose so long as the organisation continues to function according to its stated objectives: e.g. that Worcester live continues to run shows or that Worcester Wheels continues to provide support for people at home. There is regular engagement with these groups so this assurance is continuous.

3.3 For small and medium grants, the funding is made up of two pots: small grants of £56,635 and medium grants of £17,530, giving a total of £74,165. Currently small grant applications are awarded between £1 to £2,000 and medium between £2,001 and £15,000 (£15,000 being the exception).

These amounts were previously approved and are expected to be replenished each year, so are considered to be within base budgets.

- 3.4 Community Services currently manage these grants by using a criteria-based assessment with a standardised application process. This process was approved by the Policy & Resources Committee. The effect has been to improve governance in this area and the scheme now works well with monthly applications being received regularly for a variety of small projects and events.
- 3.5 The current arrangement is that all applications are reviewed by a panel consisting of an experienced community member George Davidge who previously formed part of the Area of Highest Need Our Happy Place panel, Cllr James Stanley (Chair of the Communities Committee), Cllr Marjory Bisset, the Economic Development Officer, Business Support Administration officer and the Lead Projects & Voluntary Officer, who acts as Chair for the panel.
- 3.6 The grants are in the form of match funding and do not cover the full amount of any project or event. Applicants are required to contribute to their project with volunteer hours, contributions in kind or funding from other sources. Therefore, the grants are not designed to fund entire projects in themselves.
- 3.7 Once a grant has been approved the following processes take place.
- Applicant is notified via email.
 - Grants letter sent to applicant to sign and agree to our Terms and Conditions which are posted on the WCC grants page.
 - Bank details and organisational details requested on letter headed paper.
 - Once received, creditors set new organisation up on the system an end of project report template is sent to successful applicant.
 - Once set up on our system, payment is made.
 - When the project has been delivered an end of project report with evidence of the event having taken place (images etc.) are received and filed for reference.
- 3.8 During 2021/22 one organisation received a grant but, due to Covid, was unable to run the project to full capacity. They have advised the Council of this and have been in touch to repay unspent funds. This is uncommon but when it does occur the process is as follows:
- The organisation reports actual spend on their end of project report.
 - The Council raises an invoice for the unspent amount and requests the organisation pay back the funds.
- 3.9 As the arrangements had changed significantly in 2019 the Section 151 Officer requested an internal Audit review of the above arrangements. This concluded that the application process is fit for purpose and is operating as described. The Internal Audit report is presented elsewhere on the agenda for consideration.

Ward(s): All wards
Contact Officer: Rhizina Shearer, Community Services. Email: Rhizina.shearer@worcester.gov.uk
Background Papers: None