



CABINET – 23 JUNE 2023

**SCRUTINY REVIEW PANEL - SHIRE COMMUNITIES GRANT AND
SHIRE ENVIRONMENT GRANT**

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to present the key findings and recommendations of the Scrutiny Review Panel on SHIRE Communities Grant and SHIRE Environment Grant schemes. The report of the Panel is appended to this paper.

Recommendation

2. The Cabinet is recommended to:
 - (a) Accept the Report of the Scrutiny Review Panel on SHIRE Communities Grant and SHIRE Environment Grant;
 - (b) Request that the Chief Executive ensures that the recommendations of the Scrutiny Review Panel are acted upon.

Reasons for Recommendations

3. The Panel has considered the operation of the SHIRE Communities Grant and SHIRE Environment Grant schemes and made recommendations that the schemes should operate on a reduced budget and tighter criteria during the current financial year and cease operating after that. This will enable savings to be made. The Panel also recommends that the County Council should continue to provide advice, guidance and signposting to Voluntary, Community and Social Enterprise (VCSE) organisations requiring funding.

Policy Framework and Previous Decisions

4. The MTFs 2023/24 – 2026/27 proposal to cease delivery of the SHIRE Community and Environment Grant programmes with immediate effect was questioned at the Scrutiny Commission meeting held on 30 January 2023.
5. Members requested a review to determine the future of both grant programmes in 2023/24 and onwards.

Timetable for Decisions (including Scrutiny)

6. The Panel met on four occasions between 23 March and 30 May 2023 and its report was presented to the Scrutiny Commission on 12 June 2023. The Scrutiny Commission supported the findings of the Scrutiny Review Panel and referred the recommended actions to the Cabinet for its consideration.

Resource Implications

7. Reducing the grant budgets during the 2023/24 Financial Year would lead to the following savings in this period:

SHIRE Community Grant:

- The capital budget reduced by £25,000 to £25,000;
- The revenue budget reduced by £150,000 to £350,000;
- The maximum grant award reduced by £5,000 to £5,000;

SHIRE Environment Grant

- Total funding available reduced by £10,000 to £30,000;
- Maximum grant award reduced by £500 to £2,500;

8. Ceasing the grant by the end of the 2023/24 Financial Year would lead to an annual saving as follows:

- SHIRE Community Grant - £550,000;
- SHIRE Environment Grant - £40,000.

Circulation under the Local Issues Alert Procedure

None

Officer to Contact

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PART B

Background

SHIRE Community Grants

9. The SHIRE Community Grant is a key feature of Leicestershire County Council's support to the voluntary, community and social enterprise (VCSE) sector. The programme has been running for over ten years and has contributed to the strategic aims, objectives and priorities of both the Leicestershire Communities Strategy (Communities Approach) and the Council's Strategic Plan. The grant programme invests in the VCSE sector to help it develop local social prescribing and community led solutions for a range of communities, as an alternative to more intensive and/or expensive statutory provision or reduce/delay demand for Council services.
10. The budget currently assigned to the SHIRE Community Grant programme is £550,000 annually (£500,000 revenue and £50,000 capital). Grants of up to £10,000 can currently be awarded to any one organisation at a time.

SHIRE Environment Grants

11. The SHIRE Environment Grant scheme also aims to support the VCSE sector. This programme has been running for 13 years (in various forms) and has contributed to the delivery of the Council's Environment Strategy 2018-2030, the Leicestershire Resources and Waste Strategy, the Climate and Nature Pact and the new nature recovery responsibilities. The scheme also aims to strengthen the achievement of the Council's Net Zero 2045 commitment, Strategic Plan outcomes, complimentary to the Environment Action Volunteer scheme and other volunteer schemes.
12. The budget currently assigned to the SHIRE Environment Grant programme is £40,000 (revenue) annually. Grants of up to £3,000 are currently available to any one organisation at a time. Organisations can currently apply for up to 75% of the total cost of a project (subject to a maximum amount). At least 25% of the total project cost must be match funded independently, including from other sources.

Medium Term Financial Strategy 2023/24 – 2026/27

13. On 22 February 2023 County Council approved its Medium Term Financial Strategy 2023/24 – 2026/27 and this included the proposal to cease delivery of the SHIRE Community and Environment Grant programmes with immediate effect. The Proposal was questioned at the Scrutiny Commission meeting held on 30 January 2023. Members requested a review to determine the future of both grant programmes in 2023/24 and onwards.

Scope of the Panel

14. The Scrutiny Commissioners on 30 January 2023 appointed a Scrutiny Review Panel to:
 - Determine the impacts and value for money achieved through the SHIRE Community and Environment Grants programme;
 - Examine the profile of past and current recipients and key metrics, including outputs, outcomes and the value of awards;
 - Consider the potential impact of the discontinuation of both grant programmes, the value of the current programmes, and the Target Operating Model.
15. The Scrutiny Commissioners requested that the Panel make recommendations to the Cabinet on the future of the SHIRE Community grant and SHIRE Environment grant programmes.

Membership of the Panel

16. The following members were appointed to serve on the Panel:

Mr. C. Smith CC (Chairman)
Mr. D. Harrison CC
Mr. P. King CC
Mr. G. A. Boulter CC
Mrs. M. E. Newton CC

Issues considered by the Panel

17. During the course of review, the Panel received feedback on how the grants programmes supported the achievement of departmental strategic objectives. Representatives from VCSE organisations were also invited to provide feedback on the impacts and outcomes achieved via SHIRE Grant funding. In addition to this, other organisations who provide funding/investment into the VCSE provided an overview of their own grant schemes and offered their view on the value for money of grants programmes and what investment into the local sector can achieve for individuals and communities.
18. The Panel had concerns that the list of organisations eligible to apply for a SHIRE Grant is currently too wide and that organisations able to raise funding via precept (e.g. town and parish councils), and larger voluntary sector organisations who can employ paid staff, are also applying for SHIRE Grants.
19. The Panel also had concerns about repeat applications for funding as they felt that it demonstrates that organisations are not sustainable and are becoming reliant on a funding source which cannot not be guaranteed, particularly given the financial pressures currently facing the County Council.
20. Throughout the review, the Panel highlighted the importance of the Council's financial position and the need for this to remain a key consideration in determining the future of both grant programmes. A majority of members of the Panel had significant concerns regarding the funding gap in the MTFs.

However, some members of the Panel felt that financial concerns needed to be balanced against the Council's social responsibility in supporting vulnerable people and community groups where possible.

21. The Panel was pleased to hear that when a VCSE organisation applies for grant funding, County Council grant officers work to understand the organisation's needs before deciding whether a SHIRE Grant is the most appropriate option for them to pursue. The Council works in collaboration with Voluntary Action LeicesterShire (VAL) and in cases where organisations have not been successful in being awarded SHIRE Grant funding, they had been encouraged to contact VAL for support in sourcing alternative funding. Grant officers also regularly network with other grant funders to understand what funding is available in the market at any given time.
22. The Panel heard that illustrating the outputs and outcomes of grant funding was often difficult to quantitatively demonstrate and that it was easier to consider case studies to determine the impact which grants had on organisations and individuals. However, the Panel was concerned that in the absence of any quantitative data, it is difficult to measure value for money and to understand the true impact the Grants have on communities and individuals.

Report of the Scrutiny Review Panel

23. The Panel's Final Report is appended to this report and outlines the key findings of the Review. At the end of its deliberations, as there was no clear consensus on the way forward, the Panel considered the following four options:
 - (i) Keep the value of both grants as is and change the criteria to provide grants only to small voluntary and community groups;
 - (ii) Amend the Grant schemes as follows:
 - (a) Reduce the SHIRE community grant budget by the following amounts:
 - The capital budget reduced by £25,000 to £25,000;
 - The revenue budget reduced by £150,000 to £350,000;
 - The maximum grant award reduced by £5,000 to £5,000;
 - (b) Reduce the SHIRE environment grant budget by the following amounts:
 - Total funding available reduced by £10,000 to £30,000;
 - Maximum grant award reduced by £500 to £2,500;
 - (c) Change the criteria to provide grants only to small voluntary and community groups;
 - (iii) Cease the grants immediately as per the MTFs proposal;

- (iv) Operate the grants during the 2023/24 Financial Year with the reduced budgets proposed in (ii) above and cease the grants by the end of the 2023/24 Financial Year to enable sufficient notice to be given to beneficiaries and partners, and groups to make alternative arrangements. Change the criteria for awarding SHIRE Community Grants during the 2023/24 financial year to provide grants only to small voluntary and community groups.
24. The Panel agreed that the County Council should continue to provide advice, guidance and signposting to VCSE organisations requiring funding regardless of the option chosen. The Panel also noted that, given the size of the SHIRE Environment Grants, it would be too much of an administrative burden to change the grant guidance and conditions just for the 2023/24 financial year.
25. The decision of the Panel by majority was to support option (iv). Mr Boulter and Mrs Newton asked that it be recorded that they were opposed to this decision.

Comments of the Scrutiny Commission

26. The Commission supported the recommendations within the report by a majority and recommended them to Cabinet. The comments of the Commission will be reported at the meeting.

Equality Implications

27. There are no equality implications arising directly from the recommendations in this report.

Human Rights implications

28. There are no human rights implications arising from the recommendations in this report.

Background Papers

The agenda and minutes for meetings of the Scrutiny Review Panel are available via <https://politics.leics.gov.uk/ieListMeetings.aspx?Committeeld=1313>

Appendix

Final Report of the SHIRE Community Grant and SHIRE Environment Grant schemes.