



To: Executive Councillor for Finance and Resources:  
Councillor George Owers

Report by: Andrew Limb, Head of Corporate Strategy

Relevant scrutiny committee: Strategy & Resources Scrutiny 14/7/2014  
Committee

Wards affected: All

## **REVIEW OF SUSTAINABLE CITY GRANTS**

### **Not a Key Decision**

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### **1. Executive summary**

1.1 Since 2012/13, the City Council has had a single budget of £50,000 for grants to local voluntary and community groups to support projects which address the council's environmental priorities. This report sets out the findings from a review of the grants, and proposes changes to the total budget available and a move to a commissioning based approach to ensure that grants are more closely aligned to the council's environmental policy objectives.

### **2. Recommendations**

The Executive Councillor is recommended to agree:

- The proposed budget of £30,000 for the Sustainable City Grants from 2015/16 onwards and to cash limit the grants from this point forwards.
- To move from a grant funding approach to a commissioning approach for the Sustainable City Grants from 2015-16 onwards, as outlined at 5.9 – 5.13.

### **3. Background**

3.1 The context for this report is the very challenging financial situation facing local government. The Council's Mid-Year Financial Review published in October 2013 set out a significant savings requirement of around £6m over the next 4 years. Difficult decisions have already been taken which have delivered the savings requirement for 2014/15 but on-going reviews and more difficult decisions are needed in order to deliver additional savings for 2015/16 and beyond.

- 3.2 Since 2012/13, the City Council has had a single budget of £50,000 for grants to local voluntary and community groups to support projects which address the Council's environmental priorities (which are set out in the table below). Prior to this point there were two separate grant budgets, for core funding of voluntary and community groups, and for project-based activity respectively.

**Table 1 - Cambridge City Council Environmental Objectives**

<b>Tackle the causes and consequences of climate change</b>
Reduce carbon dioxide emissions
Manage climate change risks
<b>Minimise waste</b>
Reduce the amount of waste generated
Increase waste reuse, recycling and composting
<b>Protect the local environment</b>
Reduce pollution of air, water and land
Protect and enhance local wildlife

- 3.3 In 2012/13, the management and administration of the Sustainable City Grants was transferred from the Corporate Strategy service to the grants team in the Community Development service and the grants process was aligned to those used in Community Development for other Council grants budgets. Under the current process, local groups are invited to submit applications for funding from the Sustainable City Grants by October for projects due to start in the following financial year. Applications are considered by the Council's Environment Scrutiny Committee in the following January, and award amounts confirmed at a meeting of full council in February.

- 3.3 It was agreed at Environment Scrutiny Committee on 14 January 2014 that officers would carry out a review of the Sustainable City grants and report back in July 2014 with recommendations about future budgets and arrangements. In particular, it was agreed that the review should consider:

- reductions to the budget from £50,000 to £30,000.
- moving from a grant to a commissioning approach to achieve the climate change strategic priorities.

#### **4. The review - Consultation**

- 4.1 As part of the review, officers carried out public consultation on the proposed changes between Monday 27<sup>th</sup> January and Friday 25<sup>th</sup> April, in line with requirements of the Cambridgeshire Compact. During this period local voluntary and community groups and

Cambridge residents were invited to complete a survey on the Council's website. The survey was promoted via the Council's Twitter account, through local voluntary sector networks and through direct communications to organisations in receipt of grant funding from the City Council.

- 4.2 A total of 38 responses were received, including 15 from voluntary and community groups who have previously received grant funding from the Council. Details of the consultation questions, a full list of the organisations that responded and a summary of the responses is provided at Appendix A.
- 4.3 During the consultation period officers also offered to meet with local voluntary and community groups to discuss the review in more detail. In response to this offer, a meeting was held with representatives from Cambridge Carbon Footprint in April 2014.

## **5. Conclusions from the Review**

- 5.1 The Review considered the total amount of funding that should be allocated through the Sustainable City Grants. As part of the consultation, we invited views on a proposed reduction in the total amount of funding available through the Sustainable City Grants from the current level of £50,000 to £30,000.
- 5.2 There is a general understanding that the Council has to make difficult decisions in order to find savings, but a majority of the respondents to the consultation (68%) were not in favour of reducing the budget. They outlined a number of concerns regarding the impact of reducing the budget, which are set out in more detail in Appendix A, along with our responses.
- 5.3 In particular, a number of respondents were concerned that reducing the funding available could impact on community-led environmental activity and reduce the number of pilot projects that could be rolled out more widely. However, whilst reducing the amount of funding available would clearly have an impact on groups who regularly apply for funding, the findings suggest that none of the groups consulted would fold as a result of the proposed reduction in budgets. 20% felt that the reduction would have no impact on their organisation, while 80% felt they would have to either stop or reduce some services as a result.
- 5.4 As the table below shows, the Sustainable City Grants have been undersubscribed following the annual application round in the past three years, with the total amount awarded at this stage being less than £30,000 in 2012/13, 2013/14 and 2014/15. This suggests that the

level of demand for the grants is lower than the current budget and that there is scope to reduce the budget available accordingly.

	Total funding (£) applied for in October round	Total funding (£) allocated in October round	Total allocated (£) after October round
<b>2012/13</b>	18,800	15,100 (plus 16,995 for final Year of an existing Service Level Agreement)	20,842
<b>2013/14</b>	30,779	29,340	21,260
<b>2014/15</b>	50,240	21,855	0

- 5.5 When the total budget for the Sustainable City Grants has not been allocated in the October grants round, officers have continued to actively promote the funding to local groups during the course of the following year with the aim of allocating the full budget. This process requires a significant amount of officer time over a long period to promote take-up of the remainder of the available funding. There is also the potential for projects funded in this period to deliver less value than those funded through the annual grants round, because they are not subject to the same degree of scrutiny by Members and they are assessed in isolation rather than alongside competing projects.
- 5.6 The Review also considered how the Sustainable City Grants could be used most effectively to achieve our environmental objectives. As part of the consultation, we asked residents whether the City Council should move from a grant funding approach to a commissioning approach for the Sustainable City Grants from 2015-16 onwards.
- 5.7 The findings of the consultation were not conclusive, with 50% of respondents in favour of moving to a commissioning approach, and 50% not in favour. Those who did not support the proposed change made a number of comments, which are summarised in Appendix A.
- 5.8 A commissioning approach would enable the Council to target the funding available at activities that most closely address the Council's environmental objectives (as set out at 3.1 above), maximising the impact of the funding on climate change and wider sustainability issues. This approach is consistent with that being proposed for the council's Community Development and Arts and Recreation Grants in a separate report to Community Services Committee on 10 July, which recommends re-focussing these grants on areas of greatest need. Moving to a commissioning approach for the Sustainable City Grants would also reduce the administrative costs associated with the

reduced fund by removing the need for an annual grants application and assessment process.

5.9 Under a commissioning arrangement, rather than local voluntary groups putting forward suggested activities for grant funding each year, we would identify areas where there are gaps in provision and unmet need, or where the Council is currently active, but would benefit from additional capacity and expertise. The priorities and outcomes identified in the Council's current environmental policies (including the Climate Change Strategy, Nature Conservation Strategy, the developing Arboricultural Strategy, and the developing Environmental Policy) would inform decisions on areas of focus for the commissioning process each year. We would also consider the impact of proposed activities on wider Council priorities, such as the contribution that they would make to the developing Anti-Poverty Strategy. Examples of potential activities could include:

- Provision of advice and support to households which will help local residents to reduce their carbon footprint, including:
  - reducing energy consumption and improve energy efficiency of properties;
  - reducing water consumption and improve water efficiency of properties; and
  - promoting sustainable food sources and providing advice and guidance to residents on reducing food waste.
- Advice and support to local businesses on reducing their carbon footprint
- Protecting and conserving local wildlife, habitats and biodiversity.

5.10 An annual commissioning round would be held in October each year and the opportunity would be promoted to local voluntary and community groups, including previous applicants. Groups would be invited to submit a short expression of interest describing: the proposed project; how it meets the Council's commissioning priorities, what outcomes it would achieve; and how much funding would be required from the council and other sources.

5.11 It is proposed that officers will assess the expressions of interest against the council's commissioning priorities and identify a list of projects to be commissioned. We would then engage in a dialogue with the successful local voluntary and community groups to further develop the project ideas. Funding agreements would be negotiated which would clearly specify the outputs and outcomes to be delivered.

Groups would be required to provide regular monitoring reports to demonstrate progress towards the delivery of the outcomes.

- 5.12 The maximum award for Sustainable City Grants is currently £5,000. This limit was intended to ensure that groups received sufficient funding to deliver key projects without becoming dependent solely on the City Council for funding. However, in practice a number of groups have bid for and been awarded more than one project grant each year. It is proposed that under the new arrangements, the maximum award to a single organisation should be increased to £10,000. This would increase the scale and scope of activity that could be funded and provide greater certainty for the voluntary groups being funded.
- 5.13 It was agreed at Environment Scrutiny Committee on 14 January 2014 that Sustainable City Grants awards up to and including £5,000 would be approved by officers, with awards from £5,001- £10,000 to be approved by the Executive Councillor inviting comments from the Chair and Spokes of the relevant scrutiny committee. It is proposed that these approval thresholds should be retained under any commissioning arrangements.

#### **4. Implications**

##### **(a) Financial Implications**

Reducing the budget for Sustainable City Grants from £50,000 to £30,000 per annum would make an ongoing contribution to the Council's savings targets of £20,000 per year.

##### **(b) Staffing Implications** (if not covered in Consultations Section)

There are no significant staffing implications from the proposed changes to the Sustainable City Grants. If a commissioning approach is adopted, the need for Community Development staff to administer the annual grants process would cease and funding agreements would instead be negotiated with voluntary and community groups by staff in Corporate Strategy.

##### **(c) Equal and Poverty Implications**

An Equality Impact Assessment (EqIA) has been completed and is attached at Appendix B.

##### **(d) Environmental Implications**

A Climate Change rating of the proposals has been carried using the corporate assessment tool. If the proposed changes to the Sustainable City Grants are adopted, the grants will continue to have a medium positive impact on climate change, as they will continue to help:

- Reduce energy consumption by others in Cambridge.
- Increase the proportion of energy consumption by others in Cambridge from solar, wind, biomass or other renewable sources.
- Reduce the amount of waste or increase the level of recycling by others in Cambridge.

**(e) Procurement**

There are no procurement implications associated with the proposed changes to the Sustainable City Grants outlined in this report, as grants to voluntary and community organisations are explicitly excluded from the Council's Contract Procedure Rules.

**(f) Consultation and communication**

The public consultation carried out as part of the review of the Sustainable City Grants is set out at 4.1 to 4.3 and a summary of the consultation responses is provided in Appendix A.

**(g) Community Safety**

There are no community safety implications to the changes proposed in this report.

## **5. Background papers**

No background papers were used in the preparation of this report.

## **6. Appendices**

Appendix A – Summary of consultation responses

Appendix B – Equality Impact Assessment

## **7. Inspection of papers**

If you have a query on the report please contact:

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