

Item No. 7.	Classification: Open	Date: 25 January 2022	Meeting Name: Overview and Scrutiny Committee
Report title:		Local Funds Expenditure	
Ward(s) or groups affected:		All	
From:		Head of Scrutiny	

RECOMMENDATION

1. That overview and scrutiny committee note the report and agree next steps as appropriate.

BACKGROUND INFORMATION

2. The council has various grant funding streams available for individuals, community and voluntary groups and local businesses to bid into and which contribute to the achievement of the Borough Plan priorities.
3. The overview and scrutiny committee (OSC) previously discussed local funds expenditure at its meeting in October 2019. OSC considered that whilst most of the individual funds are well understood, there is no overarching document which maps the totality of the funds, their purpose, how they are accessed and who makes the final decisions. The overview and scrutiny committee concluded that the totality of funds available would help clarify whether there was any merit in further scrutiny. OSC also sought further detail on how the funds were evaluated in terms of the effectiveness of the grant allocation processes with specific regard to decision making and its effectiveness in delivering objectives, i.e. is it meeting the needs of the community.
4. The OSC objectives were therefore to seek answers to the following questions:
 - are we funding the right things?
 - are the arrangements fit for purpose?
 - are the funds accessible?
5. This report has been prepared to inform OSC's considerations.
6. Cabinet has subsequently initiated a two-step approach to reviewing grants in light of Southwark Stands Together and a second broader piece of work reviewing the council's whole portfolio of grants to ensure they secure maximum value against the council's strategic priorities for our communities. The grants and commissioning review report will therefore

provide a wider context to the local funds expenditure and take forward many of the questions raised by OSC. The review report is due to be considered by cabinet on 1 February 2022.

KEY ISSUES FOR CONSIDERATION

7. The council funds a wide range of grant schemes available to individuals, community and voluntary groups and local businesses. Appendix 1 summarises the key grant funding programmes, their purpose and decision maker. In addition to schemes provided by the council, there are many other sources of funding available for similar or complementary purposes provided by other bodies. Many of these are signposted on the council's website.
8. As indicated in Appendix 1, the source of the funding comes from various budget areas, some of which are core budget allocations and others are funded from one-off resources.

Funding source	£'000
Annual revenue budget	3,038
Housing Revenue Account (HRA)	450
Capital Programme	4,680
Reserves	6,337
Total	14,505

To put these figures into context, gross revenue expenditure in 2021-22 is circa £850m (General Fund) and £260m (Housing Revenue Account).

9. Base budget provision has been established for a number of core grant funding streams, notably the Common Purposes Grant to support the voluntary and community sector, the Neighbourhood Fund for community projects and the Southwark Emergency Support Scheme to support residents facing a crisis, emergency or disaster.
10. HRA resources support grant schemes for Tenants and Resident Associations (TRAs) and Getting Involved Grants that are available to run local projects and activities aimed at improving the wellbeing of people who live in council homes.
11. Capital programme resources have been allocated to fund grants that deliver permanent improvements and physical items such as the Cleaner, Greener, Safer (CGS) scheme and the Devolved Highways Fund (DHF). The Active Southwark Legacy fund is a new programme being offered to local organisations to help increase the amount of sport and physical activity that people do on a regular basis especially for people that are not able to maintain an active lifestyle.
12. Reserves are one-off resources and generally, fund programmes that are time and resource limited and aimed at tackling specific issues and priorities. Examples include the Southwark Pioneers Fund and the

Positive Futures for Young People Fund (this allocation has largely been committed). The Voluntary Sector Transition Fund was established in 2011 to assist third sector organisations to become more sustainable.

13. The Southwark Scholarship Scheme, which pays the tuition fees for high achieving young residents from low-income families, is funded from reserves. The sustainability of this scheme is safeguarded through regular review of the level of the reserve to ensure that the balance is maintained at a level sufficient to fund all students currently on the scheme over the life of their course.
14. Reserves and government grants also help fund exceptional or demand led need. For example, demand for SESS increased significantly during the pandemic and these resources enabled the council to respond immediately to support those in greatest need. The cabinet member for finance, performance and democracy recently approved the allocation of the Household Support Fund to provide grant support for energy bills amongst low income and vulnerable households.
15. In addition to the resources identified above, funding is provided for Community Investment Plans from the Community Infrastructure Levy (CIL). CIL is funding collected from major development sites across the Borough to pay for the implementation of new infrastructure to support the growth of communities. 25% of CIL funds raised each year are allocated for local or neighbourhood schemes. Consultation with residents on Community Investment Plans helps generate proposals that in turn are considered by ward councilors and formulated into the community investment plans. The plan sets out the selected projects considered to have the most strategic benefit for the whole ward, or alternatively meet a specific ward issue that councillors for that ward have identified as a priority.

Cabinet sponsored reviews

16. The council is carrying out a two-stage review of grant making and commissioning following a report to Cabinet in September 2020.
 - Stage one: Southwark Stands Together (SST). Review of what is currently funded and any structural barriers that Black, Asian and minority ethnic groups may face in making successful applications and how to address them.
 - Stage two: Cross council commissioning and investment in the voluntary and community sector (VCS). Review of how the council can better prioritise its investment in VCS services. The review covers all grants excluding grants to individuals and also excluded CIL and DHB.
17. These independent reviews will provide evidence based objective appraisal, challenge and opportunities for learning and improvement.

Contracts have been awarded for both reviews and final reports are due to be considered by Cabinet on 1 February 2022. The cabinet report will be published on the council website on Monday 24 January 2022.

18. Amongst the recommendations being considered by Cabinet is a proposal to develop a funding prospectus for the council that will support the delivery of the Borough Plan. The prospectus will address issues that have emerged from both reviews and will:
 - Apply council wide
 - Be created in partnership with key VCS and health partners in two phases
 - Include a review of the current VCS outcomes framework
 - Phase one will focus on developing the council's priorities
 - Phase two will work with partners on how the outcomes and priorities will be delivered
19. Another recommendation being considered by Cabinet is allocating the remaining balance of Voluntary Sector Transition Fund for a one-off grants programme that would support communities to thrive and for community organisations to help build recovery from the pandemic impacts. £200k of this will be ring-fenced for Black, Asian and minority ethnic organisations.

Council website

20. The council's website provides considerable detail on the various funding available including a specific '*grants and funding*' section¹ detailing the various funding provided by the council including application arrangements, eligibility and assessment; there are pages providing information on the '*Empowering Communities programme*'² which includes information on multi-ward meetings (funding programmes information, process, and announcement of decisions is a main function of the multi-ward meetings); signposting to other funding, for example *Southwark Creates* is a digital portal of information and resources including links to cultural funding opportunities³ and funding guides, for example the United St Saviours guide to funding support for community organisations in Southwark⁴.
21. An annual report is published on the website of all grants to voluntary, community and social enterprise organisations⁵.

¹ <https://www.southwark.gov.uk/engagement-and-consultations/grants-and-funding>

² <https://www.southwark.gov.uk/engagement-and-consultations/empowering-communities/empowering-communities-programme>

³ <https://www.southwark.gov.uk/southwark-creates/funding>

⁴ <https://2jex0v5a2ywegwel44ey6n70-wpengine.netdna-ssl.com/wp-content/uploads/2020/01/Funding-Guide-for-Southwark-Digital-20200117.pdf>

⁵ <https://www.southwark.gov.uk/council-and-democracy/open-data?chapter=5>

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview and Scrutiny Committee agenda and minutes – 9 October 2019	Southwark Council Website	Everton Roberts 020 7525 7221
Link: https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=308&MId=6559&Ver=4		

APPENDICES

No.	Title
Appendix 1	Local Funds

AUDIT TRAIL

Lead Officer	Everton Roberts, Head of Scrutiny	
Report Author	Rob Woollatt, Interim Departmental Finance Manager Andrew Matheson, Senior Commissioning Officer	
Version	Final	
Dated	18 January 2022	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	No	No
Date final report sent to Scrutiny Team	18 January 2022	