

**PROVISION OF GRANT AID AND RELATIONSHIPS WITH THE VOLUNTARY  
SECTOR, UNDER NEW POLITICAL MANAGEMENT ARRANGEMENTS**

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**1. Purpose of Report**

- 1.1 To identify the range of possible arrangements for grant aid decision making that might be considered under the new democratic structures and in the interim, prior to the enactment of legislation.

**2. Summary**

- 2.1 The new democratic structures do not allow delegation of decisions to Committees. The position of the Grant Aid Committee therefore needs to be reviewed and the options explored. Four options have been identified; decision making by -

- (a) The Executive as a whole;
- (b) Individual Executive Member(s);
- (c) Individual officers; and
- (d) Any of the above in consultation (to be subject to consultation).

**3. Recommendations**

- 3.1 That decisions be taken by individual Executive Members (according to their portfolio responsibilities) based on officer recommendations in accordance with Council policies.

- 3.2 That the Committee's views are sought on:
- (a) Whether there should be a form of consultation built into the process of decision making?
  - (b) What role the Voluntary Sector Consultative Assembly might have in the processes of policy making and decision making?
- 3.3 That the Executive Member who is likely to take most of the grant aid funding decisions becomes the Chair or (joint Chair) of the Voluntary Sector Consultative Assembly, so creating a strong relationship between the Executive and the Voluntary Sector as a whole.
- 3.4 That the views of Voluntary Sector organisations be sought on the proposed arrangements and that 'call-in' or means of challenging decisions be fully described.

#### 4. **Background**

4.1 The Council has had an increasingly close working relationship with the voluntary sector over the last 10 years. The significant contribution of the voluntary sector to the developing life of Milton Keynes has been recognised in the development of consultative, partnership, contractual and grant aided relationships.

4.2 Over the years the relationship has been formalised via the Grant Aid Committee (Terms of Reference as shown at **Annex A**), a Voluntary Sector Consultative Assembly (Terms of Reference as shown at **Annex B**) and in 1997 a Voluntary Sector Strategy Agreement was the first major policy agreement signed by the new Council.

4.3 The Strategy states:

- (a) Milton Keynes Council will establish, maintain and develop a partnership approach with Voluntary Organisations and Community Groups. Based on a joint commitment to shared values and beliefs the partners will strive to improve the quality of life of all who live and work in Milton Keynes.
- (b) Milton Keynes Council has major Committees of Members. It has Directorates of Officers making up different sections. Many of these sections have separate partnerships with Voluntary Organisations and Community Groups. These partnerships are determined by individual Directorate policies which influence the contracts or agreements of the key aspects of the relationships. In each partnership the reason for the relationship is clearly stated and the time for review jointly agreed.
- (c) In addition, Milton Keynes Council supports Voluntary Organisations and Community Groups in other ways, some hidden, like free use of premises and discretionary rate relief, and some one-off payments, through the Neighbourhood Initiatives Fund.

4.4 Section 3.2.2 of the Strategy identifies a range of responsibilities that the Council has agreed, amongst others, it states that the Council will:

- (a) Consult and alert Voluntary Organisations and Community Groups well in advance of impending changes.
- (b) Listen to and value Voluntary Organisations and Community Groups and be open to their suggestions.

4.5 In relation to funding, the Council has agreed to (amongst other responsibilities):

- (a) Agree clear funding criteria and apply them fairly.
- (b) Maintain a variety of funding mechanisms.
- (c) Seek positive Joint Commissioning arrangements with other funders.

- 4.6 The complexity of the Council's relationship with the voluntary sector springs from a range of factors:
- (a) the diversity of the voluntary sector;
  - (b) the wide range of Council functions that relate to voluntary organisations;
  - (c) the nature of relationships which may be contractual, grant aided, consultative and/or participative

4.7 Whilst the Voluntary Sector Consultative Assembly has the remit to map and monitor the complexity of these relationships, it does not currently manage individual grants or contracts which are the remit of the Grant Aid Committee or individual directorates. Whilst the Voluntary Sector Consultative Assembly involves a lead Member, other processes do not necessarily involve Members at all..

#### Recent Events and Discussions

4.8 At its meeting on 8 February 2000, the Democratic Structures Working Group considered the question of the future of the Grant Aid Committee. A report was requested. It transpires that a series of discussions have been held in various forums on the same question.

4.9 The Grant Aid Committee held on 30 November 1999, resolved:

'That the Democratic Structures Working Group be informed that the process to revise structures – which affects the work of the Grant Aid Committee – should involve meaningful consultation with the Voluntary Sector and should recognise the importance which the Grant Aid Committee gives to the uniqueness of the current arrangements for determining requests for Grant Aid from the Voluntary Sector.'

4.10 The Voluntary Sector Consultative Assembly at its meeting on 1 December 1999, noted the resolution of the Grant Aid Committee and "expressed concern that if the Grant Aid Committee was to be abolished then the Voluntary Sector would lose a key vehicle in its relationship with the Council." It was suggested that the likely changes should be the feature of an open meeting for the Voluntary Sector, which would allow a chance to influence the new structures before any final decisions were made.

4.11 An open meeting was held in January and there were informal discussions held at the Voluntary Sector Consultative Assembly in February.

4.12 Essentially the concerns of the Voluntary Sector are that:

- (a) the basis of the relationship between the Council and the Voluntary Sector, as contained in the 'Milton Keynes Community Voluntary Sector Strategy' should be retained;
- (b) the Sector is consulted about policies, practices and strategies that affect voluntary and community organisations;

- (c) individual decisions that are taken about grant aid or partnership agreements should be open and transparent and consistent with Council policies and strategies; and
  - (d) there should be opportunities to challenge decisions, make representations or ask questions about the process of decision making.
- 4.13 Currently organisations make presentations to the Grant Aid Committee and are able to witness the process of discussion and decision making that occurs at the meetings.
- 4.14 This report was submitted to the Democratic Structures Working Group on 2 March 2000, however discussions were centred around the general issues raised in the report on Partnerships and Consultative Assemblies (see Item 8e to this Agenda). Specific consideration was not given to the issues raised in this report.

## 5. **Issues and Choices**

- 5.1 Under the new arrangements, officers will still make recommendations based on Council policies and strategies and in accordance with specific grant aid criteria, what changes is the method of formally taking the decision.
- 5.2 When the new legislation is enacted the only bodies or people who will be able to take decisions are as follows:
- (a) The Council assembly
  - (b) The Executive as a whole
  - (c) Individual Executive Members
  - (d) Individual officers
- 5.3 Until the legislation is enacted, the Executive or individual Executive Members will only be able to recommend decisions to the Business Management Group for ratification.
- 5.4 The practical choices for allocating grant aid would therefore appear to be:
- (a) The Executive as a whole. This would have the advantage of the involvement of Members across the Council, aware of different strategies and relationships. The disadvantage would be the potential overloading of the Executive.
  - (b) An individual Executive Member or Members depending on portfolios. This would speed decision making but it could lead to fragmentation of decision making.
  - (c) Individual officers. This option would not involve Members, in decisions that are often of a political nature.

- 5.5 The options identified relate only to the distribution of grant aid. It is assumed that the Executive, as part of its recommendations on the budget to the Assembly, would wish to set the total grant aid budget.
- 5.6 There are three main issues associated with the distribution of grant aid:
- (a) How can voluntary organisations have a say in the policies and practices around grant making ?
  - (b) How can decisions be transparent and open to challenge ?
  - (c) How can non-Executive Members contribute their expertise to the process of grant making ?
- 5.7 Taking each in turn:
- (a) If there are proposed changes to grant aid policy these could be referred to the Voluntary Sector Consultative Assembly for consultation.
  - (b) The process of recording and publishing decisions of the Executive, individual Executive Members and officers will need to satisfy the criteria of openness and transparency in order for non-Executive Members (or the public) to challenge (or call in) decisions.
  - (c) Non-Executive Members will have the opportunity to challenge or call-in individual decisions. It is also assumed that one of the Scrutiny Committees will scrutinise grant aid decision making.
- 5.8 The most practical solution, given the new arrangements, would appear to be that decisions are taken by individual Executive Members (according to their portfolio responsibilities) based on officer recommendations in accordance with Council policies.
- 5.9 Members' views are sought on:
- (a) Whether there should be a form of consultation built into the process of decision making?
  - (b) What role the Voluntary Sector Consultative Assembly might have in the processes of policy making and decision making?
- 5.10 It is also suggested that the views of Voluntary Sector organisations are sought on the proposed arrangements.
- 5.11 It is strongly recommended that the Executive Member who is likely to take most of the grant aid funding decisions becomes the Chair or (joint Chair) of the Voluntary Sector Consultative Assembly. This would create a strong relationship between the Executive and the Voluntary Sector as a whole.

## 6. **Implications**

### 6.1 Environmental PR ITEM 8(f)

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There are a small number of grants currently distributed by the Environment Directorate in relation to Local Agenda 21.

6.2 Equalities

Equalities considerations form part of grant aid criteria.

6.3 Financial

None.

6.4 Legal

Decision making frameworks can only be in accordance with current legislation.

6.5 Staff and Accommodation

None.

7. **Conclusions**

7.1 The new democratic structures do not allow delegation of decisions to Committees. The position of the Grant Aid Sub-committee therefore needs to be reviewed and the options explored

Background Papers: Grant Aid Committee papers 30 November 1999  
Voluntary Sector Consultative Assembly 1 December 1999  
Voluntary Sector Strategy 1997 (revised 2000)