

STRATEGY AND RESOURCES EXECUTIVE ADVISORY BOARD

11 October 2021

* Councillor Ruth Brothwell (Chairman)

* Councillor Will Salmon (Vice-Chairman)

* Councillor Jon Askew

* Councillor Christopher Barrass

Councillor Richard Billington

* Councillor Colin Cross

* Councillor Graham Eyre

* Councillor Angela Gunning

Councillor Diana Jones

Councillor Steven Lee

* Councillor Masuk Miah

* Councillor Catherine Young

* Present

Councillors Julia McShane, John Redpath and Fiona White were also in attendance.

SR25 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Diana Jones and Steven Lee.

SR26 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

Councillor Fiona White declared a non-pecuniary interest as a trustee of CHIPS. Councillor Julia McShane declared a non-pecuniary interest as a Council outside bodies representative on the Board of Guildford Action and as a trustee of CHIPS. Councillor Graham Eyre declared a non-pecuniary interest as a member of the Board of Ash Citizens Advice Bureau. Councillor Will Salmon declared a non-pecuniary interest as a spouse of a volunteer with Homestart.

SR27 MINUTES

The minutes of the meeting of the Executive Advisory Board held on 9 August 2021 were confirmed as a correct record, and would be signed by the Chairman at the earliest opportunity.

SR28 CITIZENS ADVICE FUNDING

The Executive Advisory Board (EAB) received an introductory presentation from the Strategy and Communications Manager concerning the mandate in respect of the funding of Guildford and Ash Citizens Advice (CAs) by the Council. The mandate addressed the following areas:

- Introduction
- Strategy
- Strategic options to deliver a solution
- Considerations
- Resources
- Risks, assumptions and issues
- Dependencies, constraints and opportunities
- Internal stakeholders
- Appendix 1 – Citizens Advice Bureaux Funding

The presentation highlighted that the Council was the principal funder of Guildford and Ash CAs and that neither organisation would be viable without substantial funding from the authority. In 2021/22 the core grant support totalled £300,000 (£225,000 to Guildford and

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£75,000 to Ash). Separately, the Council had a funding agreement with Ash CA of £63,000 per annum to provide a money advice service for homelessness prevention, which was funded through government grant and outside the scope of this mandate.

CA was a network of independent charities that provided free confidential information and advice to assist people with money, legal, consumer and other problems. Primary issues included debt management, welfare benefits, housing, immigration and asylum, employment, consumer complaints and landlord-tenant disputes. Services provided by CAs could help address issues such as social exclusion and child poverty, mental health, homelessness and housing conditions, older people and those with long term illnesses and disabilities accessing welfare benefits and care advice.

Guildford and Ash CAs provided support to 4-5,000 clients each year. A significant proportion of those were referrals from the Council, many of whom were also its tenants. Although the Council had no statutory obligation to fund CAs, which provided significant benefits to residents and contributed to the Council's corporate priorities, demand for Council services would increase without the advice and support they provided.

Whilst all Surrey district and borough councils provided financial support to CAs, Guildford's funding was significantly higher than elsewhere. Although direct comparisons were not straightforward, e.g. some councils may provide free accommodation in addition to financial support, total funding of £250,000 would be more in line with that provided by other local authorities.

With the Council's support, the CAs (including Waverley CA) were discussing closer joint working and mergers to reduce costs and pursue new service delivery options by adopting a more outreach-based approach. Such changes could deliver savings in terms of staffing and accommodation. Without significant change, the ongoing viability of Guildford and Ash CAs in their current form was questioned. Guildford CA currently occupied Council owned premises for which it paid an annual rent of £41,400 and a service charge of £10,941, which was covered by the grant. The market rental of the property was estimated at £53,000 per annum.

The mandate set out the five options for future funding of the CAs in the context of the Council's challenging financial position and corporate priorities. The options consisted of (a) do nothing, (b) do something, (c) do more [1], (d) do more [2] or (e) do most. The mandate was considered by the Executive / Management Team Liaison Group at its meeting held on 30 June 2021 when it expressed support for option (b).

The following points arose from related questions, comments and discussion:

1. Speaking as a Council representative on the Board of Ash CA, Councillor Graham Eyre provided information in respect of the financial and operational position of the CAs in the Borough. He advised that neither of the CAs had received an increase in core funding from the Council over the past ten years and were relying on reserves whilst operating with unsustainable financial deficits which they sought to reduce by merging to improve their future financial viability. Collectively, the CAs paid approximately £70,000 per annum from their grants to meet rental payments for operating premises and were seeking assistance from the Council to identify a new more economical location. The greater amount of the local population resided in the most deprived areas of the Borough and therefore the CAs faced numerous complex challenges in their work which would increase owing to recent factors including increases in energy costs, the termination of the furlough initiative and benefit reductions. Any funding reduction would result in a decrease in services and therefore Option A was promoted as the only practical option for the time being at least. The

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outcome of a recent consultation had indicated that residents did not support budget reductions which would negatively affect elderly or vulnerable people.

2. Whilst councillors expressed their support for the CAs and a reluctance to reduce their funding, it was acknowledged that this Council appeared to be providing significantly higher grants to the local CAs in comparison with other councils in Surrey and that value for money needed to be a factor taken into account when determining levels of grant allocation. However, it was difficult to make meaningful comparisons as there were varying operating models in different areas with some other councils providing premises or other benefits beyond the allocated grant to CAs. A factor was that Guildford was the only council in Surrey which funded two CAs and this was a likely contributor to its higher funding costs.
3. It was suggested that this Council could offer cost free premises to its local CAs at Millmead House or other locations within its property portfolio and this had been discussed previously and was an option, although the Millmead complex was subject to another mandate concerning the future use of the site. The pandemic had led to the CAs operating alternative working patterns of a digital nature that could be continued as part of a future offering together with a focus on outreach work delivered in community settings which may reduce overall office space requirements and costs.
4. Although the EAB acknowledged the Council's need to achieve savings, it felt that these should not have a major impact on service provision.
5. Whilst the bulk of the CAs' funding was provided by the Council, the organisations did undertake fundraising activities and at times secured contracts through other organisations to provide services. The CAs were aware of the Council's financial position and prepared to adapt to the circumstances.
6. It was emphasised that CAs were independent organisations that were empowered to make management decisions regarding their operating models, selection of premises and expenditure of finances, over which the Council had no control and could only pose questions and offer guidance and mentoring.
7. In terms of staffing, it had been published in the last annual reports that Guildford CA employed ten paid members of staff whilst Ash CA employed seven paid members of staff. In addition, many volunteers worked for CAs.

In conclusion, the EAB expressed the view that the mandate did not contain sufficient information to enable it to select a mandate option as there were unknown comparators such as the reasons for the Guildford and Ash CAs' spending per client being considerably more than that of other CAs, expenses associated with premises occupied by CAs, alternative fundraising initiatives, staffing structures and the type and complexity of issues dealt with. Also, it was not possible to gauge whether a funding reduction would lead to a significant drop in service provision or if a higher level of reduction could be achieved. However, these views did rule out options (c), (d) and (e).

The Lead Councillor thanked the EAB for its comments and advised that the mandate contained the potential for generating more options over time in a staggered approach by continuing discussions with the CAs to explore the potential for realising efficiencies and offering support.

In this connection, it was confirmed that a progress update in respect of the Council's Savings Strategy would be circulated to all members of the EAB.

SR29 VOLUNTARY GRANTS SCHEMES

The Strategy and Communications Manager gave an introductory presentation in respect of the mandate relating to grants to voluntary organisations. The mandate consisted of:

- Introduction

- Strategy
- Strategic options to deliver a solution
- Considerations
- Resources
- Risks, assumptions and issues
- Dependencies, constraints and opportunities
- Internal stakeholders
- Appendix 1 – new service level agreements
- Appendix 2 – previous review of grants
- Appendix 3 – voluntary grants scheme 2021/22

By way of background, the Executive Advisory Board (EAB) was advised that following a review of grants in January 2020, the existing grants schemes had been discontinued in their previous forms and replaced by rolling agreements to provide greater certainty over future funding to organisations delivering against the Council's strategic priorities (homelessness, mental health services, vulnerable families and services for the elderly).

At that time, the Executive also agreed to establish a new smaller Aspire Grants Scheme (£30,000 per annum) to support small scale local community projects and also to retain a reduced Voluntary Grants Scheme (£50,000 per annum) to provide some funding for other organisations delivering services for priority groups. The establishment of a new crowdfunding platform for a two year trial period with an annual budget of £80,000 was also approved.

The original Voluntary Grants Scheme had been established as a tri-partite funding body along with Surrey County Council (SCC) and the NHS. However, as both SCC and the NHS withdrew funding in recent years, the Borough Council remained as the only contributor. Whilst the scheme continued to provide support to organisations working with vulnerable residents, as a legacy of its former composition, grant funding did not necessarily closely support this Council's priorities or core client groups and many grants were more health service focused.

With priority groups and services now being supported through funding agreements, the new crowdfunding platform being established to support voluntary and community organisations and the Council's increased financial challenges, the mandate considered options for future grant funding. The four options consisted of (a) do nothing, (b) discontinue the Voluntary Grants Scheme, (c) discontinue the Aspire Community Grants Scheme or (d) do most. The Executive / Management Team Liaison Group had considered this mandate at its meeting held on 30 June 2021 and expressed support for Option (b).

The following points arose from related questions, comments and discussion:

1. Councillor Fiona White addressed the EAB as a Trustee of CHIPS, an organisation which offered valued school holiday play provision to support vulnerable children and families in north Guildford and in Ash. CHIPS met some of the Council's strategic priorities and was in receipt of a voluntary grant of £5,000 in 2021/22 which formed an integral part of its funding. Although it was difficult to calculate the return on the Council's investment, it was felt that CHIPS provided valuable intervention work without which there may be greater need of Council services and expenditure in the future. Accordingly, the EAB was invited to support CHIPS and other voluntary organisations by protecting their grant funding and seeking alternative savings elsewhere.
2. The Council had been innovative in recent years in relation to grant provision and, in addition to the crowdfunding platform, initiatives included the establishment of

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Guildford Philanthropy, a charity which supported organisations working with vulnerable people utilising private donations, and the Guildford Community Lottery. There was a desire to encourage the use of crowdfunding as for every £1 invested by the Council in crowd projects supporting its priorities, £2 or more were received from the crowd's supporters to the benefit of local communities. A definition of crowdfunding was provided.

3. The maximum voluntary grant was £5,000 per annum and organisations which had received an annual grant under the Scheme were not guaranteed to receive funding in future years and therefore the list of recipients in Appendix 3 was likely to change from year to year. The maximum grant available under the Aspire Grants Scheme was £1,000 and the Scheme was flexible and accessible as applications could be considered on an ongoing basis rather than once per year as was the case with the Voluntary Grants Scheme.
4. In the event that the Voluntary Grants Scheme was discontinued, it would not necessarily be replaced by crowdfunding as the Scheme provided small project based grants which were not intended to fund annual operating costs, whereas crowdfunding was more suited to funding bids from larger organisations such as the Citizens' Advice Bureaux which would be unviable without Council funding. However, organisations that had been in receipt of funding under the Grants Schemes would have the opportunity to apply for crowdfunding or funds via the Community Lottery in the future, and the Council could encourage and support this community approach. It was acknowledged that bidding for crowdfunding was more complicated than applying for a grant and success may depend on presentation and media skills that small charities or community groups may not possess. It was possible that some communities could raise their own funding within the community to pursue local projects.
5. Whilst acknowledging the Council's need to pursue its Savings Strategy, some concern was expressed as to whether a reduction in grant funding would threaten the viability of some voluntary organisations as it was unknown whether they had alternative funding streams and what the proportion of grant was compared to their total income. However, the EAB was advised that discontinuing the Voluntary Grants Scheme should secure savings without affecting the viability of any organisation which might have applied for a grant. Applicants under the Scheme were not necessarily established charities and were often groups of residents wishing to pursue a project to make improvements to their local community. The Community Engagement Team were working to support such groups.

Having considered the information provided and the responses to their questions, members concluded that the Executive be advised that the EAB supported a compromise arrangement between options (a) and (b) whereby both the Voluntary Grants Scheme and the Aspire Grants Scheme were retained with the funding for each scheme reduced by 50%. This equated to a budget of £25,000 for the Voluntary Grants Scheme and of £15,000 for the Aspire Grants Scheme which should be focused on smaller charities and organisations in most need of support. An annual review could be undertaken to assess the impact of the Scheme reductions on applicants.

SR30 EXECUTIVE FORWARD PLAN

The Executive Forward Plan was noted.

SR31 EAB WORK PROGRAMME

The EAB Work Programme was noted without comment.

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The meeting finished at 9.30 pm

Signed

Chairman

Date