

REPORT REFERENCE NO.	DSFRA/15/21
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	7 OCTOBER 2015
SUBJECT OF REPORT	TRANSFER OF GRANT FUNDING FROM THE DEVON & SOMERSET FIRE & RESCUE SERVICE TO SAFE SOUTH WEST
LEAD OFFICER	TREASURER TO THE AUTHORITY
RECOMMENDATIONS	<i>That, in accordance with Financial Regulations, the Devon & Somerset Fire & Rescue Authority approves the transfer by way of grant of Local Area Agreement funding of £105,676 from from the earmarked reserve currently held by the Devon & Somerset Fire & Rescue Service to SAFE South West.</i>
EXECUTIVE SUMMARY	<p>The Devon & Somerset Fire & Rescue Service (“the Service”) currently holds an earmarked reserve balance of £125,676 against a Local Area Agreement reward grant, of which an amount of £105,676 remains uncommitted.</p> <p>The initial reward grant of £260,000 was originally made to the Service in the 2010/11 financial year from the (then) Somerset Community Safety Partnership for use in assisting communities within the geographical county of Somerset with matters of community safety and emergency response.</p> <p>Historically, the reward grant was used to provide grants to community groups, organisations and Parish Councils in Somerset to enable them to purchase equipment (e.g. hi viz clothing, shovels, sand bag hoppers) to help them become more resilient.</p> <p>The Community Resilience In Somerset Project (CRISP) – the successor body to the Somerset Community Safety Partnership - has now suggested that the administration of and financial responsibility for the reward grant funding is transferred from the Service to SAFE South West. Somerset County Council’s Director and Lead Commissioner [Economic and Community Infrastructure] and Financial Governance Manager have confirmed that there would seem to be no obstacle to SAFE South West administering this funding, subject to the safeguard that all remaining funds would be ring fenced for the original purpose for which the grant was awarded i.e. community resilience use in the Somerset area only. This safeguard on use of the funding has been agreed and the funding will be held within SAFE South West as a designated fund which can only be used for this purpose.</p> <p>The transfer would also enable the charity to earn a small administration fee. Administration of this funding would not raise any issues of concern for the Charity Commission and sits well within SAFE South West’s charitable activities, specifically:</p> <p><i>We provide advice and expertise, make grants to local groups and organisations in need, raise funding, assist other groups to raise funding</i></p>

	The transfer would, however, in effect be a “grant” to SAFE South West and consequently it requires approval by the full Authority in accordance with Financial Regulations.
RESOURCE IMPLICATIONS	<p>The transfer would result in a small loss to the Service of circa £700 per annum from investment income as the Service engages in Treasury Management activity beyond that of the charity.</p> <p>SAFE South West would levy a fee to administer the fund of circa £3,000 pa. This would be met from the grant funding and has been agreed in principle by CRISP.</p>
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	Transfer to SAFE South West will help ensure that the grant fund is better publicised and that more communities get the opportunity to apply for and benefit from funding.
APPENDICES	nil
LIST OF BACKGROUND PAPERS	nil

1. BACKGROUND

- 1.1 A balance of £125,676 is currently held in the Devon & Somerset Fire & Rescue Service (“the Service”) accounts, by way of an earmarked reserve, in respect of a Local Area Agreement (LAA) reward grant. The reward grant of £260,000 was originally made to the Service by the [then] Somerset Community Safety Partnership in the 2010-11 financial year. The grant was restricted to use in assisting communities in the geographical county of Somerset with issues of community safety and emergency response. The grant is not available, therefore, for the totality of the area covered by the Devon & Somerset Fire & Rescue Authority.
- 1.2 Historically, the funding has been used to provide grants to community groups, organisations and Parish Councils in Somerset to enable them to purchase equipment (e.g. hi viz clothing, shovels, sand bag hoppers etc.) to help them become more resilient and better able to respond to an emergency. To be eligible for a grant, applicants must represent a local community within Somerset, there must be risk to the community (e.g. flooding, consequences of severe weather) and the community group must have a community emergency plan (or community flood plan) or be in the process of developing such a plan.
- 1.3 The administration of and financial responsibility for the grant funding has to date rested with the Somerset Command of the Service. Decision making on allocation of grants from the fund has rested with the Community Resilience in Somerset Project (CRISP). CRISP is a multi-agency group which includes all the members of the original Somerset Community Safety Partnership, which ceased to exist in 2012 following the merger of Community Safety Partnerships. Current membership of CRISP comprises representatives of the Service, Avon & Somerset Constabulary, Somerset County Council, Sedgemoor District Council, Taunton Deane Borough Council, Mendip District Council, South Somerset Council, West Somerset Council, the Environment Agency, SAFE South West, the Community Council for Somerset and the British Red Cross, together with some community representatives.

2. PROPOSED TRANSFER

- 2.1 SAFE South West became part of CRISP within the last 18 months, providing advice on grant application processes, designing an application form and grant offer letter and starting to seek funding to top up and add to the existing funding pot so that help can continue to be provided to communities throughout Somerset.
- 2.2 CRISP is effectively the successor body to the Somerset Community Safety Partnership and has the authority to suggest the transfer of the funding to SAFE South West. In this context, CRISP has proposed such a transfer with the administrative and financial responsibility for the funding stream, administration of the grants scheme, issuing of offer letters and reporting to CRISP also moving from the Somerset Command to SAFE South West. This proposal is supported by the Somerset Command of the Service and has been approved, in principle, by the Service Executive Board at a meeting held on 1 September 2015. CRISP would expect, though, a continued involvement in all future spend decisions (i.e. decision making on grant awards) via the existing CRISP sub group established for that purpose and which comprises many of the representatives (including the Service) of the main body (see paragraph 1.3 above).

- 2.3 Somerset County Council's Director and Lead Commissioner [Economic and Community Infrastructure] and Financial Governance Manager have confirmed that there would seem to be no obstacle to SAFE South West administering this funding, subject to the safeguard that all remaining funds would be ring fenced for the original purpose for which the grant was awarded i.e. community resilience use in the Somerset area only. This safeguard on use of the funding has been agreed and the funding will be held within SAFE South West as a designated fund which can only be used for this purpose.
- 2.4 As the LAA reward grant is currently administered by and held with Service accounts, however, actual implementation of the transfer would in effect be a grant by the Service to SAFE South West. Given the sum involved (a transfer of £105,676 less £20,000 to be retained by the Service – see paragraph 2.5 below), Financial Regulations require full Authority approval to the making of the grant.
- 2.5 Of the total amount of £125,676 currently held by the Service in an earmarked reserve, a balance of £20,000 would be retained by the Service to fund a new project approved by CRISP for delivery later in the current financial year and which will provide for the purchase and supply by the Service of hi viz clothing for around 65 community groups/ organisations in Somerset. It is advantageous for the Service to undertake this due to existing procurement arrangements.
- 2.6 In a recent development, CRISP has recently received a grant of £80,000 via the Somerset Rivers Authority to top-up the existing fund. This is in anticipation of an increase in the number of applications from flood affected communities. It is intended that this new grant money should come directly to SAFE South West to administer and have financial responsibility for.
- 2.7 The administration of the funding and issuing of grants fits well within SAFE South West's agreed charitable activities (see paragraph 2.1 below) and the transfer of the funding to SAFE South West would not raise any issues of concern with the Charity Commission

3. OTHER CONSIDERATIONS

- 3.1 There are a number of advantages to transferring both the administration, financial responsibility for and grant funding to SAFE South West:
- The work of issuing grants, offer letters etc. sits well within SAFE South West's charitable activities, specifically: *We provide advice and expertise, make grants to local groups and organisations in need, raise funding, assist other groups to raise funding.*
 - The administrative work will no longer fall to the Somerset Command;
 - The charity will levy a small administration fee; and
 - Having the funding held by SAFE South West should make it easier to secure any future "top-up" funding thereby enabling the grant giving work to continue
- 3.2 The transfer would, however, result in a small loss to the Service of circa £700 per annum from investment income as the Service engages in Treasury Management activity beyond that of the charity. This investment income would, in any event, diminish over coming years as more of the grant funding is utilised.

KEVIN WOODWARD
Treasurer