

ESSEX COMMUNITY FOUNDATION

1 SUMMARY

- 1.1 This report considers the option of establishing a community fund for the Rochford District in partnership with Essex Community Foundation (ECF).
- 1.2 We have been approached by ECF to see whether there is the possibility of establishing a community fund in Rochford similar to those already set up for Essex County Council and other specialist funds within the County.
- 1.3 The objectives of ECF are as follows “ECF is an independent charitable trust run by local people with an interest in tackling social needs within the County. Donations from a wide range of companies, individuals and institutions are pooled into endowed funds generating long-term income for distribution to local charities.”

2 DETAILED CONSIDERATION

- 2.1 At the moment the Council makes decisions in relation to grant aid on a wide range of organisations. Each of these organisations has the availability to raise funds for their particular purpose. Funding tends to be from people who know of the charity and support its objectives. There is scope for attracting other donations from people who wish to give to charities within Rochford but do not have clear information about the work of any specific local charity. In addition, other fund giving organisations may find it easier to give to this type of fund rather than to the individual charities.
- 2.2 The proposal would be to set up a fund, say the Rochford Community Fund, which would come under the administration of ECF and be concerned with both receiving and granting financial support to organisations and the establishment of an endowed fund. This fund would be invested for the long-term generation of income to be distributed to local organisations and community groups in perpetuity.
- 2.3 The management of the fund would need to be broadly based to move the focus from Rochford District Council to a community fund that businesses and other organisations that may wish to donate monies to charities can relate to.
- 2.4 The Rochford Community Fund would be set up with its own identity and be administered by ECF who would also handle all enquiries and applications. Grant application forms and guidelines would be

standardised through ECF as it would be useful for voluntary organisations to have standardised forms throughout the Fund. This would enable applications to the Rochford Fund to be passed on to the Foundation if the Rochford criteria did not provide support to that particular organisation or where funds were limited.

- 2.5 The Rochford Community Fund would have a grant making Committee/Panel made up of local people. It would need to be broadly based to ensure general support for the Fund and its objectives. All groups who are properly constituted for charitable purposes would be eligible to apply to the fund.
- 2.6 Rochford would be involved with ECF in setting the objectives of the fund and the composition of its management. However once established it will operate as an independent organisation.
- 2.7 ECF would promote the Fund with this Authority to ensure that all organisations within Rochford were aware of the Fund and can see the advantages of the Fund. ECF would handle all enquiries including all application forms; and they would assess the grants paying attention to the Group's accountability and structures, the Group's finances, background, aims and objectives and consider whether the proposals are realistic and well budgeted for. ECF would then bring the grants to the Committee/Panel with recommendations and assessment on each of the applications. This will enable the Committee/Panel to make a decision on how the awards will be distributed.
- 2.8 At the moment it would probably not be practical to move all current applications to this fund. A few key organisations should be retained under a Service Level Agreement approach as their services directly relate to that of Rochford District Council. They could of course still make an application to the Fund in their own right quite separate from this support. The organisations that could be covered by this approach would be the Citizens Advice Bureau, Rochford Sports Council, Business Enterprise Agency and the four key Old People's Day Centres. Members could then determine the amount to be given to the Fund for say a three-year commitment. Some of this support would be for immediate distribution to organisations, the remainder being held to build the endowment fund. At the moment every £2 donated to the endowed fund would be matched by a £1 donation from a charity supporting the establishment of ECF.
- 2.9 Should Members agree with the establishment of a fund, it is proposed that this Council still deals with the applications for 2001/02 but informs groups of the change. The Council will then work with ECF to set up the fund in 2001/02 and to seek contributions and to advertise the establishment of the fund.

3 RESOURCE IMPLICATIONS

- 3.1 The ECF would charge the Rochford Community Fund an annual fee of 1% on endowed funds and 5% for "flow through funds". Where ECF manage a specific project, fees could be between 10 – 20%. A membership fee of £250 is payable by the Authority and voluntary organisations £ 25.
- 3.2 Based on the removal of the organisations mentioned above the residual financial support available would be around £ 9,000. This total support would need to be split into what was available for immediate release and the amount for the endowed fund.
- 3.3 Should Members wish to see the principle of the fund developed, further details can be supplied. The fund would provide a way of attracting additional funding to Rochford and provide a wider framework for the support of voluntary organisations. It would remove the decision making process on individual applications from the Authority. It would also remove Rochford as being the focal point for grant awards.
- 3.4 Although Members would lose full control over the award of grants, the Council would be heavily involved in setting up the fund and the way it operates.
- 3.5 At the moment one additional benefit of the partnership with ECF is that organisations undertaking building projects can obtain free advice from W S Atkins.

4 RECOMMENDATION

It is proposed that the Sub- Committee

Seeks the views of Members on the establishment of a local fund in partnership with Essex Community Foundation.(HFS)

D Deeks

Head of Financial Services

For further information please contact D Deeks on:-

Tel:- 01702 546366
E-Mail:- dave.deeks@rochford.gov.uk