

# REPORT FOR: GRANTS ADVISORY PANEL

---

<b>Date of Meeting:</b>	20 <sup>th</sup> February 2014
<b>Subject:</b>	Small Grant recommendations 2014-15
<b>Key Decision:</b>	Yes because the decision will: (i) be significant in terms of its effects on communities living or working in an area of two or more wards of the Borough.
<b>Responsible Officer:</b>	Paul Najsarek, Corporate Director Community Health and Well-Being
<b>Portfolio Holder:</b>	Councillor Manji Kara, Portfolio Holder Community and Culture
<b>Exempt:</b>	No – except Appendix 5 and 6. These are exempt from publication under paragraph 1 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) as it contains information relating to any individual and information relating to the financial business affairs of any particular person.
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	Appendix 1: Funding scenarios Appendix 2: Assessment scores for Small Grant applicants Appendix 3: Summary of grant applications Appendix 4: Analysis of applications by protected characteristics Appendix 5: Grant applications (Part 2) Appendix 6: Assessment score sheets (Part 2)

## **Section 1 – Summary and Recommendations**

This report sets out information regarding applications that have been made for Council funding under the Small Grants programme for 2014-15.

### **Recommendations:**

The Grants Advisory Panel (GAP) is requested to:

1. make recommendations for grant funding to Cabinet subject to:
  - (a) receipt of satisfactory references and supporting documents by the 11<sup>th</sup> April 2014;
  - (b) confirmation from applicants that the proposed project or activity can be delivered at the same or at a different level with the amount of grant awarded by 11<sup>th</sup> April 2014;
  - (c) satisfactory resolution of any queries raised by the grant assessment panels by 11<sup>th</sup> April 2014;
  - (d) completion of the appeals procedure and any changes to the amounts awarded necessitated by decisions on appeals.
2. recommend that authority is delegated to the Corporate Director Community Health and Well-Being, following consultation with the Portfolio Holder Community and Culture, to withdraw funding offers where organisations do not comply with the conditions as detailed in Recommendation 1 above.
3. recommend that authority is delegated to the Divisional Director Community and Culture, following consultation with the Portfolio Holder Community and Culture, to consider and determine appeals with the support of an Independent Voluntary Sector Adviser and vary both the percentage grant awarded and the threshold above which grant awards are made in light of decisions taken on appeals.

### **Reason: (For recommendation)**

To award Council funding under the Small Grants programmes to Third Sector organisations to support them in delivering their services to Harrow residents.

## **Section 2 – Report**

### **2.1 Introductory paragraph**

- 2.1.1 In line with the principles set out in the Third Sector Investment Plan (2012-2015) the Small Grants programme aims to ensure that funding is awarded to projects and services that are aligned to the delivery of the Council's corporate priorities and core outcomes.

2.1.2 The grant funding programme offers an open, competitive application process that invites eligible Third Sector organisations to apply for funding for the financial year 2014-15. A total of 31 eligible applications have been received with a total amount requested of **£146,204**. This report sets out options for GAP to make recommendations to Cabinet on the award of grant funding within the budget available.

## 2.2 Options considered

2.2.1 The total amount of funding available for distribution is subject to final decisions on the Medium Term Financial Strategy (MTFS) to be agreed by Cabinet in February 2014. The total proposed discretionary grants budget is **£600,000**. This budget will fund the renewal of Service Level Agreements for Outcomes Based Grants awarded last year (see separate report) including the new infrastructure support service. This will allocate **£510,959** of the available budget and the remaining **£89,041** will be available for allocation to small grant applications.

2.2.2 The options available for the allocation of these funds are set out in **Appendix 1**. This shows the different funding scenarios available for consideration. In considering their recommendation GAP are able to take in to account the assessment scores for applicants which are set out in **Appendix 2**. All applications have been rigorously assessed by a panel of officers and these scores reflect the quality of the application and the proposals set out by the applicant. A more detailed summary of each grant application is provided in **Appendix 3**.

2.2.3 The table in Appendix 1 indicates that all eligible applications could be funded at 60% of the amount requested and this would allocate £87,722 of the available budget to 31 applicants. GAP could consider awarding 75% of the sum requested to those organisations scoring 50% and above and that would allocate a total of £87,427 of the available fund to 24 applicants. Other percentage options are outlined in the appendix.

2.2.4 GAP may also wish to consider a similar approach to that used last year when GAP agreed a principle to 'recognise excellence'. This resulted in awarding a larger percentage of the amount requested to applicants whose applications scored more highly.

If the same percentage principle were to be adopted for 2014/15, this would allocate a total amount of £70,003 as follows:

- (i) 11 applicants scoring 80% and above to receive **75%** of the grant requested (totalling £39,085);
- (ii) 12 applicants scoring 55% to 79% to receive **52%** of the grant requested (totalling £30,918).

In 2013/14, a total of £76,817 was allocated to 26 small grant applicants using these percentage differentials. GAP may wish to

consider higher percentage awards for these categories which could result in this:

- (i) 11 applicants scoring 80% and above to receive **85%** of the grant requested (totalling £44,296);
- (ii) 12 applicants scoring 55% to 79% to receive **75%** of the grant requested (totalling £44,593).

2.2.5 In considering their recommendation GAP are reminded that awarding a significantly lower level of grant than that requested may mean that some projects or services can not be delivered or will be delivered at significantly different levels.

2.2.6 **Appendix 2** also highlights any queries raised by the assessment panels and GAP is requested to recommend that these queries are satisfactorily resolved before grant awards are confirmed.

2.2.7 GAP are also reminded that any recommendations made to Cabinet are subject to the appeals process and therefore the number of awards and amount of grant awarded may change.

2.2.8 GAP is therefore requested to make their recommendations for grant funding to Cabinet subject to:

- (a) receipt of satisfactory references and supporting documents by 11<sup>th</sup> April 2014;
- (b) confirmation from applicants that the proposed project or activity can be delivered at the same or a different level with the amount of grant awarded by the 11<sup>th</sup> April 2014;
- (c) satisfactory resolution of any queries raised by the grant assessment panels by the 11<sup>th</sup> April 2014;
- (d) completion of the appeals procedure and any changes to the amounts awarded necessitated by decisions on appeals.

GAP is further requested to recommend that:

1. Authority is delegated to the Corporate Director Community Health and Well-Being in conjunction with the Portfolio Holder Community and Culture to withdraw funding offers where organisations do not comply with the conditions set out above.
2. Authority is delegated to the Divisional Director Community and Culture in conjunction with the Portfolio Holder Community and Culture to consider and determine appeals with the support of an Independent Adviser and vary both the percentage grant awarded and the threshold above which grant awards are made in light of decisions taken on appeals.

## **2.3 Background**

2.3.1 The grant application process has been delivered in accordance with the new process agreed by Cabinet at its meeting on the 13<sup>th</sup> September 2012 which was subject to an equality impact assessment.

2.3.2 Support for grant applicants was provided during the application period. This included two grant information sessions (one provided during the day and one provided in the evening). These were attended by representatives from 22 organisations. In addition, one to one assistance with completing the application form was also provided by the Interim CVS (Council for Voluntary service). 12 organisations accessed this support.

2.3.3 Although small grant applicants were not required to apply against one of the core outcomes used in the Outcomes Based grants programme, applications were grouped against these outcomes for assessment purposes. All applications were assessed by a panel of three officers. Panels were convened around the core outcomes. All panels included a consistent Chair and one other panel member. The third panel member was selected based on their ability to bring relevant knowledge of the service area as follows;

- (1) Harrow residents are able to lead, independent and fulfilling lives (third panel member from Adults and Housing or Children's' services depending on client group to be served by the proposed activity)
- (2) Harrow residents are helped to overcome poverty, worklessness and homelessness (third panel member from Economic Development services)
- (3) Diversity is celebrated and people feel they get on well together (third panel member from Community and Cultural services)
- (4) Harrow residents participate in art, sport, leisure and cultural activity (third panel member, from Sport, Leisure and Cultural services)
- (5) A strong and sustainable voluntary and Third Sector able to deliver diverse, efficient and tailored local services (third panel member from Corporate Resources)
- (6) Harrow's streets, public buildings and spaces are kept free of litter, fly-tipping and vandalism (third panel member from Environment & Enterprise)
- (7) Harrow residents and businesses enjoy local economic prosperity (third panel member from Economic Development services).

2.3.4 A request for voluntary sector observers was sent to a list of approximately 300 contacts. An invitation to observe the assessment panels was also made to members of the Voluntary Sector Forum. One panel was observed by a voluntary sector representative. The observer rated the process overall as 'excellent' in terms of fairness and in terms of ensuring the information provided by each applicant was properly

assessed. The observer also provided the following comment: 'very clear application forms and guidance for applicants'.

2.3.5 There are still some concerns regarding the quality of some of the small grant applications. Weaker applications were those where the proposal was not set out in a clear, coherent format. A good application should demonstrate a clear link between the project description, proposed outcomes and project costs. Other specific areas of weakness include demonstrating the need for the project or service; setting out clear, measurable outcomes; addressing disadvantage, equality of opportunity and fostering good relations and project costs.

2.3.6 Grant applicants that have been unsuccessful in securing funding will be able to access the Council's external funding bulletin and meetings, as well as fundraising support offered by the new infrastructure support service.

## 2.4 Current situation

2.4.1 Harrow Council approved the new Outcomes Based and Small Grants process in September 2012. The process offers large grants for a three year period of up to £75,000 pa (depending on the outcome applied for) and an annual small grants programme for grants of up to £5,000. Small Grants applications are invited from eligible Third Sector organisations that must be able to demonstrate that they have an annual income of up to or below £50,000 per annum.

2.4.2 34 applications were received in total. Of these 3 applications did not meet the eligibility criteria: Two were from organisations with an annual income over £50,000 and one applicant only submitted a hard copy without an electronic copy of the application form. 31 eligible applications were received this year compared to 30 received last year.

2.4.3 The following table shows the number of applications made against each core outcome:

<b>Core Outcome</b>	<b>Number of applications</b>
Harrow residents are able to lead independent and fulfilling lives	16
Harrow residents are helped to overcome poverty, worklessness and homelessness	1
Diversity is celebrated and people feel they get on together	3
Harrow residents participate in art, sport, leisure and cultural activity	8
A strong sustainable voluntary and third sector able to deliver diverse, efficient and tailored local services	1
Harrow's streets, public buildings and spaces are kept free of litter, fly tipping and vandalism	2
Harrow residents and businesses enjoy local economic prosperity	0
<b>Total</b>	<b>31</b>

## 2.5 Implications of the Recommendation

### 2.6 Legal comments

2.6.1 The Council may distribute grants in accordance with its agreed criteria. Due weight must be given in terms of equalities duties, procedural fairness and the statement of intention of the Compact with the voluntary and community sector. Should the Council distribute funds not in accordance with these principles, then it could be at risk of legal challenge.

2.6.2 Decision makers should have due regard to the public sector duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. Consideration of the duties should precede the decision. It is important that GAP has regard to the statutory grounds in the light of all available material. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

*A public authority must, in the exercise of its functions, have due regard to the need to:*

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

*Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:*

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;*
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;*
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.*

*The relevant protected characteristics are:*

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race

- *Religion or belief*
- *Sex*
- *Sexual orientation*
- *Marriage and Civil Partnership*

## **2.7 Financial Implications**

2.7.1 The total budget available for grants is subject to final decisions on the Medium Term Financial Strategy (MTFS) to be agreed by Cabinet in February 2014. The total amount to be recommended for approval is **£600,000**. From this budget GAP is requested to make recommendations to Cabinet regarding the distribution **of £89,041** to applicants under the Small Grants programmes as described in section 2.2 of this report.

2.7.2 GAP recommendations are made subject to the conditions set out in paragraph 2.2.8. If following the appeals procedure further grants are awarded or amounts to be awarded are adjusted this will be managed within the budget available.

## **2.8 Risk Management Implications**

2.8.1 The risks associated with the provision of grant funding to Third Sector organisations are;

- Funding is not used as stated by the applicant in their grant application.
- Organisations misapply or make fraudulent use of the funding.
- Stated service outputs and outcomes are not achieved;
- Organisations in receipt of funding cease operating and the funding is put at risk.
- The activities of the grant recipient put the Council's reputation at risk.

These risks are mitigated by;

- Ensuring that the release of funding is subject to organisation's signing and agreeing to the conditions set out in the Council's standard Service Level Agreement. This Agreement sets out the Council's expectations regarding appropriate financial and management controls that an organisation should have in place to manage the funds. It places a requirement on organisations to notify the Council if there are any significant changes to the organisations operations and sets out a service specification including expected outcomes for the proposed service.
- The annual monitoring process that requires organisations to provide reports on service delivery, expenditure and equalities information twice during the funding period (at the mid-year point and at the end of the year). This process should assist the Council in identifying any issues regarding the use of Council grant funding at an early stage.

## **2.9 Equalities implications**



- 2.9.1 An equality impact assessment on the introduction of the new grant process was conducted in September 2012 and has been updated in January 2014. This assessment does not identify any potential for an adverse impact and concludes that the likely impact on the protected characteristics is unknown due to the competitive nature of the application process. The assessment did conclude however that the introduction of a specific Small Grants programme had a potentially positive impact on some smaller voluntary groups that have historically applied for small grants as this budget was likely to be increased. The setting of an income threshold of up to £50,000 per annum would also support smaller organisations. An analysis of applicants in 2012-13 showed that 84% of those applying for a small grant were within this income threshold.
- 2.9.2 As part of the ongoing monitoring of applications applicants are asked to indicate which of the protected groups will be targeted by the proposed activity. Question 3f of the application form asks applicants to provide specific information about the intended target beneficiaries and question 4b asks applicants to explain how the project will tackle disadvantage, foster good relations and promote equality of opportunity. The assessment of applications takes in to account the responses provided to this question as well as how projects or services will ensure accessibility for the target beneficiaries.
- 2.9.3 The aim of the Small Grants programme is to support smaller organisations which tend to support a range of specific faith, race and disability groups. By supporting these organisations with small grants the Council is seeking to comply with its equality duties. **Appendix 4** provides a breakdown of applications by protected characteristics which provides an indication of the groups likely to be served by organisations applying for grant funding.

## 2.10 Priorities

- 2.10.1 The new grants process was approved by Cabinet in September 2012 with the aim of providing a fair and transparent process for the distribution of funds aligned to the delivery of the Council's priorities to deliver a cleaner, safer and fairer Harrow. Many of the services provided by Third Sector organisations support this objective. The table below provides an analysis of applications received according to corporate priority supported:

<b>Corporate priority</b>	<b>Number of applications</b>
Supporting and protecting people who are most in need	19
United and involved communities	10
Keeping neighbourhoods clean, green and safe	2

### **Section 3 - Statutory Officer Clearance**

Name: Anthony Lineker....	<input type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: ...29 <sup>th</sup> January 2014.....		
Name: ...Sarah Wilson.....	<input type="checkbox"/>	on behalf of the* Monitoring Officer
Date: ...29 <sup>th</sup> January 2014.....		

### **Section 4 - Contact Details and Background Papers**

**Contact:** Kashmir Takhar, Service Manager Community Sector Services,  
020 8420 9331

#### **Background Papers:**

Cabinet report: Voluntary Sector Commissioning: Outcome Based Grants  
2013-2016, 13<sup>th</sup> September 2012

<http://www.harrow.gov.uk/www2/documents/g61071/Public%20reports%20pack%20Thursday%2013-Sep-2012%2019.30%20Cabinet.pdf?T=10>