

REPORT FOR:

GRANTS ADVISORY PANEL

Date of Meeting:

20th February 2014

Subject:

Renewal of Service Level Agreements for Outcome Based Grants 2014-15

Key Decision:

Yes because the decision will

- (i) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (ii) be significant in terms of its effects on communities living or working in an area of two or more wards of the Borough.

Responsible Officer:

Paul Najsarek, Corporate Director Community Health and Well-Being

Portfolio Holder:

Councillor Manji Kara, Portfolio Holder Community and Culture

Exempt:

No - except Appendix 2. This is 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.

Decision subject to Call-in:

Yes

Enclosures:

Appendix 1: Summary of OBG funded services
Appendix 2: Proposed costs of Third Sector support services

Section 1 – Summary and Recommendations

This report sets out recommendations for the renewal of Service Level Agreements (SLAs) for Outcomes Based Grants (OBG) awarded in 2013-14.

Recommendations:

The Grants Advisory Panel (GAP) is requested to make the following recommendation to Cabinet;

That authority is delegated to the Corporate Director Community Health and Well-Being, following consultation with the Portfolio Holder for Community and Culture, to;

- (a) renew the SLA to the newly commissioned infrastructure support service to the level of £75,000 for 2014-15 and in principle for 2015-16 subject to the satisfactory delivery of agreed outcomes and annual confirmation of the budget according to the Council's budget setting process;
- (b) confirm the renewal of Service Level Agreements for Outcome Based Grant awards for 2014/15 at the same level of funding awarded in 2013-14;
- (c) terminate or amend SLAs if concerns are identified at any stage as a result of monitoring or breaches of the SLA.

Reason: (For recommendation)

To distribute Council grant funding to Third Sector organisations to support them in delivering services to Harrow residents.

Section 2 – Report

2.1 Introductory paragraph

2.1.1 The distribution of funding to successful applicants under the Outcomes Based Grants programme was approved by Cabinet on 14th February 2013. The new grants process was developed in line with the principles of the Third Sector Investment Plan (2012-2015) approved by Cabinet in October 2011. The aim was to ensure that Council funding was distributed to projects and services that align to the delivery of the Council's corporate priorities and core outcomes.

2.1.2 The application method was an open, competitive process that invited eligible Third Sector organisations to apply for funding for up to three years. 46 applications were received in October 2012 and of these 15 projects and services were awarded funding. This report provides further information on these grant awards and requests GAP to make recommendations to Cabinet on renewing SLAs for the financial year 2014-15.

2.2 Options considered

2.2.1 The total amount of Council grant 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 recommended budget is **£600,000** and the recommended options for allocation of these funds are as follows:

2.2.2 Infrastructure support services

In February 2013 Cabinet approved the ring-fencing of £75,000 to support the development of a new infrastructure support service for local voluntary organisations. The commissioning of this service was undertaken during 2013-14 in line with the Council's procurement procedures. Three applications were received from; Community Barnet, Harrow Community Action and Waymark. Evaluation of these tenders was undertaken by Council officers and two Harrow voluntary sector representatives. As a result of this evaluation the contract was awarded to a new consortium of local organisations called Harrow Community Action (HCA).

2.2.3 HCA is a Community Interest Company led by a board of 10 Directors elected by the Voluntary and Community Sector Forum. A list of Directors and proposed cost of this service is provided in Appendix 2. Under this contract HCA will provide services to support the development of local organisations including advice on developing organisational policies and procedures; governance arrangements; fundraising; advice and support; facilitating representation of the voluntary sector and providing a volunteering service.

2.2.5 Renewal of Outcome Based Grant Service Level Agreements:

In February 2013 Cabinet recommended funding to 14 projects however one of the successful applicants was subsequently unable to take up the grant award offer. Following the completion of the appeals process a further two projects were awarded funding making a total of 15 projects funded in 2013-14. All successful applicants were awarded 70% of the amount they had requested and a summary of services being delivered is provided in **Appendix 1**.

Funding awards were made for a period of up to three years from 2013/14 to 2015/16 inclusive, subject to the delivery of SLA outcomes and the annual confirmation of funding according to the Council's financial situation determined through the budget setting process.

2.2.6 The mid-year monitoring of OBG funded services was reported to GAP in November 2013 and this report highlighted some concerns with the performance of projects delivered by EACH and Harrow Churches Housing Association. Before the second instalment of grant was paid to these organisations further information on the performance and expenditure on these projects was requested. Progress with these projects will continue to be monitored and a further review at the end of the year will be undertaken before the second year renewal of SLAs is

confirmed. **£435,959** of the available budget is required to fund the 15 projects and services at the same level of funding awarded in 2013/14.

2.2.7 Small Grants:

The options available for the allocation of funds to small grant applicants is set out in a separate report; 'Small Grant recommendations 2014-15'. The amount available for allocation is **£89,041**.

2.2.8 GAP is requested to make the following recommendation to Cabinet;

1. That authority is delegated to the Corporate Director Community Health and Well-Being, following consultation with the Portfolio Holder for Community and Culture, to;
 - a. renew the SLA to the newly commissioned infrastructure support service to the level of £75,000 for 2014-15 and in principle for 2015-16 subject to the satisfactory delivery of agreed outcomes and annual confirmation of the budget according to the Council's budget setting process;
 - b. confirm the renewal of Service Level Agreements for Outcome Based Grant awards for 2014/15 at the same level of funding awarded in 2013-14;
 - c. terminate or amend SLAs if concerns are identified at any stage as a result of monitoring or breaches of the SLA.

2.3 Background

2.3.1 In September 2012 Cabinet approved the new application process for the OBG and Small Grants programmes. The OBG programme offered large grants for a three year period of up to £75,000 per annum (depending on the outcome applied for). The Small Grants programme offered annual grants of up to £5,000 per annum for organisations with an annual income of and up to £50,000. OBG applicants were invited to make applications against the delivery of the Council's corporate priorities and core outcomes as follows:

No.	Outcome
1	Harrow residents are able to lead independent and fulfilling lives
2	Harrow residents are helped to overcome poverty, worklessness and homelessness.
3	Diversity is celebrated and people feel they get on well together.
4	Harrow residents participate in art, sport, leisure and cultural activity.
5	A strong and sustainable voluntary and Third Sector able to deliver diverse, efficient and tailored local services.
6	Harrow's streets, public buildings and spaces are kept free of litter, fly-tipping and vandalism.
7	Harrow residents and business enjoy local economic prosperity.

2.4 Current situation

2.4.1 In 2013/14 15 applications were awarded OBG funding and 27 applications were awarded funding under the Small Grants programme. The OBG funded services were:

Organisation	Project
ADHD & Autism Support Harrow	The Transitions Project
Age UK Harrow	Sustainable Services Project
EACH Counselling and Support	Trauma, Violence and Abuse Counselling and Support for Somali, Tamil and South Asian communities
Harrow Association of Disabled people	Overcoming barriers of poverty and exclusion
Harrow Churches Housing Association (HCHA)	Reducing worklessness and homelessness amongst Young People (the under 25's) in Harrow
Harrow Citizens Advice Bureau	Advice Line for Harrow
Harrow Law Centre	Harrow Law Centre
Harrow Shopmobility	A scheme for the continued Integration and Independence of Disabled People
Ignite Trust	Expression Youth Community
Mind in Harrow	Harrow Mental Health Information Service
Relate London North West	Emotional Support for Individuals and Families towards a Fulfilling Life
Roxeth Youth Zone (RYZ)	The SPACE Project
St Luke's Hospice	The continued expansion and development of St Luke's Hospice at Home service for the residents of Harrow
South Harrow Christian Fellowship	Supporting the Elderly
The WISH Centre	ISVA -Sexual Violence Prevention, Advocacy and Support Service

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 identified for discretionary grants to voluntary sector organisations is £600,000 subject to approval of Harrow's 2014/15 final budget by Council in February 2014. From this budget GAP is requested to recommend that £75,000 is allocated to fund the newly commissioned infrastructure support service; £435,959 is allocated to the renewal of OBG SLAs subject to satisfactory monitoring and £89,041 is allocated to fund small grant applications for 2014-15.

2.7.2 The OBG process offers funding for a three year period subject to; (1) the satisfactory delivery of agreed outcomes (2) Cabinet approval to renew SLAs and (3) annual confirmation of the budget according to the Council's financial situation and budget setting process.

2.8 Risk Management Implications

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

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

These risks are mitigated by;

- (i) 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.
- (ii) 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 this was 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 Grant funding awarded using the outcome based process will support specific vulnerable communities, based on the protected characteristics including disability, age, faith and gender. The new process also awards small grants to ensure support is provided for smaller community projects. The distribution of grants using this process is likely to have a positive impact on these communities.

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 existing corporate priorities and in line with the delivery of a cleaner, safer and fairer Harrow. Many of the services provided by Third Sector organisations support this objective. 14 of the OBG funded services are delivering against the corporate priority 'Supporting and protecting people who are most in need' and 2 (including the infrastructure support service) are delivering against the corporate priority 'United and involved communities'.

Section 3 - Statutory Officer Clearance

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

Section 4 - Contact Details and Background Papers

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

Background Papers:

Cabinet report: Grant recommendations for Outcomes Based Grants 2013-2016 and Small Grants funding 2013-14, 14th February 2013

<http://www.harrow.gov.uk/www2/documents/b15388/Supplemental%20Agenda%20Thursday%2014-Feb-2013%2019.30%20Cabinet.pdf?T=9>

Cabinet report: Third Sector Investment Plan, 18th October 2011

<http://www.harrow.gov.uk/www2/documents/g60641/Public%20reports%20pack%20Tuesday%2018-Oct-2011%2019.30%20Cabinet.pdf?T=10>

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

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

GAP report: Mid-Year grant monitoring, 25th November 2013

<http://www.harrow.gov.uk/www2/documents/g61466/Public%20reports%20pack%20Monday%2025-Nov-2013%2019.30%20Grants%20Advisory%20Panel.pdf?T=10>