

REPORT FOR: **CABINET**

Date of Meeting:	13 March 2014
Subject:	Small Grant and Outcome Based Grant Recommendations 2014-15
Key Decision:	Yes
Responsible Officer:	Paul Najsarek, Corporate Director of Community Health and Wellbeing
Portfolio Holder:	Councillor Manji Kara, Portfolio Holder for Community and Culture
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Appendix 1: Summary of OBG funded services Appendix 2: Funding scenarios Appendix 3: Recommendations from the Grants Advisory Panel meeting Appendix 4: Assessment scores for Small Grants Appendix 5: Analysis of applications by protected characteristics

Section 1 – Summary and Recommendations

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

(2) information regarding applications that have been made for Council funding under the Small Grants programme for 2014-15;

Recommendations:

Cabinet is requested to approve the following:

1. That authority is delegated to the Corporate Director Community Health and Well-Being following consultation with the Portfolio Holder for Community and Culture subject to the satisfactory delivery of agreed outcomes and annual confirmation of the budget according to the Council's budget setting process 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;
 - (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 any SLAs if concerns are identified at any stage as a result of monitoring or breaches of the SLA.
2. That authority is delegated to the Corporate Director Community Health and Well-Being following consultation with the Portfolio Holder for Community and Culture to award Small Grant funding to voluntary organisations at the levels recommended by the Grants Advisory Panel at their meeting on the 20th February 2014 (as outlined in paragraph 2.2.7 b) subject to:
 - (d) receipt of satisfactory references and supporting documents by the 11th April 2014;
 - (e) 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 11th April 2014;
 - (f) satisfactory resolution of any queries raised by the grant assessment panels by 11th April 2014;
 - (g) completion of the appeals procedure and any changes to the amounts awarded necessitated by decisions on appeals.
3. 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 2 above.
4. That authority is delegated to the Divisional Director Community and Culture following consultation with the Portfolio Holder Community and Culture with the support of an Independent Voluntary Sector Adviser to consider and determine Small Grants appeals 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 discretionary grant funding 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) approved by Cabinet in October 2011 the Small Grants and Outcomes Based grant programmes aim to ensure that the distribution of grant funding is awarded to projects and services that support the delivery of the Council's corporate priorities and core outcomes.
- 2.1.2 The grant funding programmes offer an open, competitive application process that invites eligible Third Sector organisations to apply for funding. 46 applications for funding under the Outcomes Based Grants (OBG) programme were received in October 2012. Cabinet approved funding to 15 projects and services on 14th February 2013 and this report requests Cabinet's approval to renew these Service Level Agreements (SLAs) and the .
- 2.1.3 The Small Grant application process is an annual programme and this year 31 eligible applications have been received with a total amount requested of £146,204. This report also requests Cabinet approval to award grant funding to Small Grant applicants as recommended by GAP.

2.2 Options considered

- 2.2.1 The total amount of Council grant funding available for distribution 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. 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.

2.2.4 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**.

2.2.5 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. Progress with all funded 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:

(a) GAP considered options for the allocation of funds to Small Grant applicants at their meeting on the 20th February 2014. The amount available for allocation was **£89,041**. The possible funding scenarios available for consideration are attached at **Appendix 2**.

(b) GAP recommended the following levels of funding to applicants:

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

This recommendation allocates **£88,889** to 23 voluntary organisations subject to their compliance with the requirements of grant funding and the outcome of the appeals process and any adjustments that may need to be made to the final level of grant funding awarded.

2.2.8 Cabinet is therefore requested to approve the following, subject to the satisfactory delivery of agreed outcomes and annual confirmation of the budget according to the Council's budget setting process:

1. That authority is delegated to the Corporate Director Community Health and Well-Being in 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.

- 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 any SLAs if concerns are identified at any stage as a result of monitoring or breaches of the SLA.
2. That authority is delegated to the Corporate Director Community Health and Well-Being in consultation with the Portfolio Holder for Community and Culture to award Small Grant funding to voluntary organisations at the levels recommended by the Grants Advisory Panel at their meeting on the 20th February 2014 (as outlined in paragraph 2.2.7 b) subject to:
 - i. receipt of satisfactory references and supporting documents by the 11th April 2014;
 - ii. 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 11th April 2014;
 - iii. satisfactory resolution of any queries raised by the grant assessment panels by 11th April 2014;
 - iv. completion of the appeals procedure and any changes to the amounts awarded necessitated by decisions on appeals.
3. That authority is delegated to the Corporate Director Community Health and Well-Being in consultation with the Portfolio Holder Community and Culture to withdraw funding offers where organisations do not comply with the conditions as detailed in Recommendation 2 above.
4. That authority is delegated to the Divisional Director Community and Culture in consultation with the Portfolio Holder Community and Culture and support of an Independent Voluntary Sector Adviser to consider and determine Small Grants appeals 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 which was subject to an equality impact assessment and agreed by Cabinet at its meeting on the 13th September 2012.

The OBG programme offers large grants of up to £75,000 per annum for a period of up to three years. OBG applicants were invited to make applications against the delivery of the Council's corporate priorities and following core outcomes:

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.

2.3.2 The new process also offers an annual Small Grant programme for organisations with an annual income of up to £50,000 or less. Organisations can apply for grants of up to £5,000 per annum to deliver a range of projects or activities. Applicants are supported with information sessions and one to one support and voluntary sector observers are invited to observe the assessment panels.

2.4 Current situation

2.4.1 In 2013/14 15 applications were awarded funding to deliver the following projects/services:

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

2.4.2 31 eligible applications for Small Grants were received this year compared to 30 received last year. A list of these and their assessment scores is provided in **Appendix 4**.

2.5 Implications of the Recommendation

2.6 Legal Implications

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. From this budget Cabinet 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.
- 2.7.3 Cabinet recommendations for Small Grants are made subject to the conditions set out in paragraph 2.2.7. 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 Performance Issues

- 2.8.1 The Council has arrangements in place to ensure that organisations in receipt of a grant deliver the outcomes stated in their application form. Grant applicants state the outcomes they expect to achieve by their proposed project/activity on their funding application. These outcomes are included in the Service Level Agreement (SLA) agreed with the funded organisation. If the final grant award is less than the amount requested these outcomes can be renegotiated. The Council monitors the achievement of these outcomes through an annual monitoring process. This involves both mid-year and end of year monitoring. Grant recipients report on both the performance of outcomes and expenditure of Council funding. The results of monitoring are reported annually to the Grants Advisory Panel. The decision sought will enable Officers to terminate or amend SLAs where there is a concern about performance against SLA targets. Organisations in receipt of grant funding are expected to comply with the Council's monitoring requirements as set out in the SLA, failure to do so could result in funding being withheld.

2.9 Environmental Impact

- 2.9.1 Some of the projects and activities that seek Council grant funding support the maintenance of biodiversity and improvements and contribute to preserving the quality of open spaces open to the public.

2.10 Risk Management Implications

- 2.10.1 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

2.11 Equalities implications

2.11.1 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.

2.11.2 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.

2.11.3 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. **Appendix 5** provides a breakdown of applications by protected characteristics which gives some indication of the groups likely to be served by organisations applying for grant funding.

2.12 Corporate Priorities

2.12.1 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 discretionary Council grant funding.

The grants process helps deliver against the new Council vision 'a place to live and work and be proud of' by providing funding to a range of community projects that enable participation and civic pride. The grants process also supports the following corporate priorities;

Cleaner: 'A borough where streets were cleaned regularly and parks and green spaces were places to enjoy' by providing funding to projects such as Harrow Heritage Trust's 'Management of and public engagement with Harrow's nature reserves'.

Fairer: 'A borough where hard working residents could bring up their families knowing they would have fair access to opportunity' by providing funding to projects such as the 9th Kenton Scout Group.

Section 3 - Statutory Officer Clearance

Name: Anthony Lineker	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 24 February 2014		
Name: Sarah Wilson	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 24 February 2014		

Section 4 – Performance Officer Clearance

Name: Martin Randall	<input checked="" type="checkbox"/>	on behalf of the Divisional Director Strategic Commissioning
Date: 24 February 2014		

Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker	<input checked="" type="checkbox"/>	on behalf of the Corporate Director (Environment & Enterprise)
Date: 24 February 2014		

Section 6 - 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, 13th September 2012

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

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>

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>

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-in applies]