

LONDON BOROUGH OF HARROW

Meeting:	GRANTS ADVISORY PANEL
Date:	15 SEPTEMBER 2003
Subject:	MONITORING OF GRANT FUNDING ALLOCATED IN 2002 / 03
Key decision:	NO
Responsible Chief Officer:	CHIEF EXECUTIVE
Relevant Portfolio Holder:	PARTNERSHIP AND PROPERTY
Status:	PART 1
Ward:	N / A
Enclosures:	APPENDIX A - LIST OF ORGANISATIONS THAT SUBMITTED MONITORING & ASSESSMENT FORMS APPENDIX B – SUMMARIES OF MONITORING FORMS APPENDIX C – LIST OF ORGANISATIONS WHICH RECEIVED A MONITORING VISIT

1. **Summary/ Reason for urgency (if applicable)**

- 1.1 This report presents Members with the monitoring information supplied by organisations in receipt of grant funding in 2002/03.
- 1.2 Monitoring forms for 2002/03 were sent to 36 organisations (see list at Appendix A). The deadline for the receipt of these forms was Friday 23rd May 2003. Whilst all organisations returned their forms, only 19 did so by the deadline, despite reminders and duplicate forms sent to some of the groups.
- 1.3 Appendix B contains brief summaries of the monitoring information supplied by the groups. The information is only quantitative, without any qualitative assessment.

2. Recommendations (for decision by Portfolio Holder)

2.1 To note the monitoring and assessment information submitted by organisations in receipt of funding in 2002/03.

2.2 To consider setting specific outcomes for each funded organisation and for the monitoring in future to concentrate on the agreed outcomes which will be supported by documentary evidence.

REASON: To enable the Council to carry out a more meaningful monitoring of the organisations it funds and to be able to ascertain that the funding provided meets specific objectives and targets in line with the Council's priorities.

3. Consultation with Ward Councillors - Not applicable

4. Policy Context (including Relevant Previous Decisions)

4.1 Grants Panel 19 June 2002, minute 1: It was resolved that officers should write to organisations informing them that, if they failed to return their monitoring and assessment forms, Members would take this into account when considering future funding applications.

4.2 Grants Advisory Panel 25 September 2002, recommendation 3: ... "Members questioned the validity of the Monitoring & Assessment Forms and whether they needed reviewing. ... Members expressed the need to update the Monitoring & Assessment Forms, the mechanism for assessment and the grant thresholds, which would trigger officer visits in the context of current and proposed practices."

5. Relevance to Corporate Priorities

5.1 The report addresses the Council's stated priority of "strengthening Harrow's local communities by promoting social inclusion amongst all Harrow residents both young and old, by seeking to eradicate poverty and by reducing the fear of crime.

6 Background Information and options considered

6.1 The London Borough of Harrow is empowered to make grants to voluntary organisations under Section 42 of the Local Government Act 1972 and various other statutes. Under the 1972 Act, a voluntary organisation is defined as "a body the activities of which are carried out otherwise than for profit." As from April 1990, the Local Government and Housing Act 1989 came into effect and included specific reference to the accountability of organisations to their local funders. Section 37 of the Act requires voluntary organisations receiving financial assistance of £2,000 or more to furnish a statement in writing of the use to which the assistance has been put within 12 months of the date when assistance was provided. Sub-section 37(4) states that an annual report of accounts containing the information required will be sufficient.

6.2 The former Grants Panel had agreed that all organisations should account for the grant funding received, irrespective of the amount. Grant-aided organisations are therefore

required to complete a "Statement of Achievement" that is included in a monitoring and assessment form. The forms are presented to the Grants Advisory Panel without any real analysis or auditing. Groups that fail to return their form are advised that this failure could jeopardise consideration of any future grant applications made by them.

6.3 Whilst all funded groups provide annual accounts and monitoring forms, it needs to be noted that the information contained in the monitoring forms tends to be repetitive and does not provide a clear and accurate picture of the performance of organisations. Because groups are not required to produce documentary evidence to support their statement of achievements, in order for any meaningful conclusions to be drawn on the success or otherwise of funded organisations, there may be a need to agree in advance with all funded groups a list of outcomes on which the monitoring should concentrate. Organisations should be required to support any statement they make on achievement with some form of documentary evidence to be agreed when the outcomes are set. The number and complexity of agreed outcomes must take account of the size of the organisation and of the level of the Council's funding.

6.4 Monitoring visits to organisations in receipt of grant aid of £3,500 and over take place every year (please see Appendix C for the number of monitoring visits carried out so far this year). Standard guidelines for monitoring visits for voluntary organisations have been in operation for about 5 years. A standard monitoring report form is completed after each visit and a copy is given to the group for comment. The report may be amended to take account of the comments made by the group. If the monitoring visit reveals any problems within an organisation or any likely breach of the conditions of grant the organisation is given a deadline to rectify the situation. Serious breaches of the funding conditions are reported to Senior Management and to Members. So far this year, no serious problems have been identified.

7. **Consultation** - none

8. **Finance Observations**

8.1 None

9. **Legal Observations**

9.1 None

10. **Conclusion**

10.1 The monitoring of grant-aided organisations as practised currently complies with relevant legislation. However, the quality of the information provided in the Monitoring & Assessment Forms by most organisations is not sufficiently high and this may be due to the inadequacy of the form used. In order to make the monitoring and evaluation more robust and meaningful, there is a need to introduce a system of setting agreed outcomes for each funded organisation and for these to form the basis of the monitoring.

11. **Background Papers** – none

12. **Author**

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