

## LONDON BOROUGH OF HARROW

Agenda item:

Page no:

<b>Meeting:</b>	GRANTS ADVISORY PANEL
<b>Date:</b>	27 APRIL 2004
<b>Subject:</b>	GRANTS TO VOLUNTARY ORGANISATIONS – STRATEGIC REVIEW
<b>Key decision:</b>	NO
<b>Responsible Chief Officer:</b>	EXECUTIVE DIRECTOR BUSINESS CONNECTIONS
<b>Relevant Portfolio Holder:</b>	PARTNERSHIP & PROPERTY
<b>Status:</b>	PART 1
<b>Ward:</b>	ALL
<b>Enclosures:</b>	

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

- 1.1 To seek Panel Members' views regarding the Council's future strategy for providing the most appropriate support to voluntary organisations in Harrow, prior to conducting a two-stage consultation exercise.

### 2. Recommendations (for decision by Portfolio Holder)

- 2.1 To note the baseline support currently provided to voluntary organisations by the Council.
- 2.2 To consider the suggested strategic approach for future administration of support to voluntary organisations.
- 2.3 To authorise officers to consult the voluntary sector on the new proposals, for reporting further to the Panel at its meeting in June and Cabinet in July.

**REASON: To establish a new strategic approach for providing support to voluntary organisations in Harrow.**

### **3. Consultation with Ward Councillors**

3.1 Not Applicable

### **4. Policy Context (including Relevant Previous Decisions)**

- 4.1 Cabinet 15<sup>th</sup> October 2002 – Transfer of the Education lettings service to the Grants Advisory Panel with effect from April 2004 and to establish criteria for eligibility.
- 4.2 Grants Panel 19<sup>th</sup> September 2003 – Considered certain new funding priorities and agreed that they should form part of this strategic review.
- 4.3 Grants Panel 19<sup>th</sup> February 2004 – Timetable for the review of support to voluntary organisations was agreed.

### **5. Relevance to Corporate Priorities**

- 5.1 A key purpose of the strategic review is to ensure that the criteria for administering support to voluntary organisations are relevant to the community strategy and therefore the Council's corporate priorities.

### **6. Background Information and options considered**

- 6.1 There has been no strategic review of the way in which the Council supports voluntary organisations across the Borough for a number of years. As well as the funds allocated to organisations via the Grants Panel, the Council provides support to voluntary organisations from a number of sources, including;
- Concessionary lettings
  - Payments direct from departmental budgets
  - Free / discounted use of premises
  - Discretionary rate relief

#### **Baseline Position**

- 6.2 Appendix 1 sets out a summary of the overall support provided by the Council to voluntary organisations in the 2003-04 year.
- 6.3 The overall support is currently administered in the following discrete functions:-

#### **A) Central Grants Team**

- 6.4 This team, supporting the role of the Grants Advisory Panel, administers the following schemes:-
- Main Grants
  - Grants-based Service Level Agreements (SLAs)
  - Free office accommodation at Community Premises
  - Concessionary lettings (from 1<sup>st</sup> April 2004)

The level of funding for the main grants function in 2004-05 is £1,077,691. This consisted of £320,505 for main grants and £756,481 in the form of Service Level Agreements.

- 6.5 Of this, 97% was provided to previously funded organisations and 3% was given to new applicants. Therefore it is clear that the bulk of funding is provided on a historical basis, which diminishes the Council's capacity to fund new and emerging needs. The existing criteria and conditions for administering grants and grants-based SLA's are attached at appendix 2.
- 6.6 The total 2004-05 budget for community premises is £78,500. The budget transferred to the Panel in relation to the education lettings service is £139,590.
- 6.7 The criteria for administering the community premises service were reviewed by the Panel in March 2003 (attached at appendix 3). The proposed criteria for the other schemes administered by the central grants team are outlined in the following paragraphs.
- 6.8 The concessionary (Education) lettings service existing criteria are attached at appendix 4. It has been previously agreed that the existing system of discretionary lettings will change to one of grant funding, for allocation by the Panel. The criteria for the new system need to be agreed.

#### B) Departmental Service Level Agreements and Contracts

- 6.9 The vast majority of these agreements are negotiated through the People First Directorate. The total financial support currently provided through this method amounts to just under £2m per annum.
- 6.10 The negotiation with voluntary sector service providers is a process based on identified needs. The Directorate procures these services either through an SLA or a contract, usually through one of Harrow's voluntary sector umbrella organisations, to deliver departmental services such as homes for the elderly. Therefore it can be argued that this type of support is service specific and should not come under a general strategy, although the Panel should be aware of the financial support provided through this route to enable it to consider grant decisions.

#### C) Discretionary Rate Relief

- 6.11 Under the Local Government Finance Act 1998, Councils are given discretion to top up rate relief for qualifying charities and non-profit making organisations. The Council currently provides the equivalent of around £100,000 per annum of this support to voluntary organisations in Harrow. Appendix 5 sets out the current policy for administering this support.

#### ISSUES IDENTIFIED FOR THE STRATEGIC REVIEW

- 6.12 Following a meeting of the Grants Review Steering Group, Members are asked to consider the following strategic issues:

## Co-ordinating the Baseline Information

- 6.13 Whilst consultation does, occasionally, take place between officers dealing with the various aspects of support to the voluntary sector, no formal co-ordination exists currently and no data is shared between the respective units providing the support.
- 6.14 Clearly an overview of the full picture may be useful to the various units providing grant related funding and the Panel itself. It is recommended therefore that quarterly information gathering is carried out by the central grants team and the information shared in an agreed format with relevant parties from 2004-05.

## Common Grants Criteria

- 6.15 To encompass a Council-wide approach to supporting the voluntary sector, a consistent strategic approach is essential.
- 6.16 The Council's Community Strategy sets out the Council's commitments to strengthening Harrow's community. Clearly therefore, in considering a consistent approach to supporting community organisations, there is a need to ensure that the priorities of the strategy are embedded in the grants processes.
- 6.17 Therefore Members are asked to consider the following criteria, which are based on the community strategy priorities, as an over-arching framework for supporting voluntary organisations in Harrow:-

Proposals must be consistent with one or more of the headings within the Council's Community Strategy: -

- **Community Cohesion** - A borough where the diversity of all communities is valued and celebrated through the promotion of community cohesion and equality of access and life opportunities.
- **Safer Harrow** - To promote and increase the safety of the whole community by working in partnership to reduce crime, disorder and the fear of crime within Harrow.
- **Regenerating Harrow** - To create a vibrant and sustainable environment with a diversity of employment, a thriving business community and a range of high quality housing.
- **Greener Harrow** - To create a cleaner, greener, sustainable and more attractive Harrow in which to live, work and relax.
- **Children and Young People** - To ensure that the life chances of children and young people are enhanced and supported by the provision of universal and targeted services. To ensure that services are provided for children, young people and their families at appropriate times in their development and transition in an accessible, transparent and seamless fashion across all agencies. To ensure that every child has the chance to fulfil his or her potential by reducing levels of educational failure, ill health, substance misuse, teenage pregnancy, abuse and neglect, crime and anti-social behaviour.
- **Learning for All** To create a borough where everybody has the opportunity to fulfil their potential through improved standards of education and wider participation in lifelong learning.

- **Making ICT Work** To develop the availability and use of ICT across Harrow to enable better and faster access to information and services for the citizens of Harrow and facilitate joined up' working between all partner organisations.
- **Healthy Harrow** To improve the health of local people by tackling health inequalities and enhancing health and social care.

6.18 Members may wish to weight one or more of the above or run annual themes which address identified needs.

## Conditions

Applicants must satisfy the following conditions:

- The applicant must be a voluntary group based in Harrow, with 80% of its members/users from Harrow.
- The organisation must be properly constituted, have a management committee and a bank account in the name of the organisation.
- The organisation must not promote or oppose any political party.
- The activities the organisation provides must not be of a religious nature.
- The organisation must not be profit making.
- The organisation must demonstrate commitment to the Council's equal opportunities policy.
- The organisation must set out in its application any existing funding provided.
- For community premises applications – the organisation must have no accommodation of their own and the period of use is limited to a maximum of 3 years.
- The organisation must accept all financial transactions from the Council electronically.
- The organisation must agree to provide a report on the use of the grant, and audited accounts (where audited accounts are not available, management accounts and copy bank statements as appropriate).

6.19 Members are asked to confirm the criteria and conditions set out above. In addition to the above, in line with a discussion at the Panel's meeting on 19<sup>th</sup> September 2003, Members are asked to consider whether additional weighting should be given to organisations that:

- Have been awarded the Community Legal Services quality mark, or any other recognised quality assurance award.
- Are proposing projects dealing with consumer advice, debt counselling, immigration, housing, and mental health.
- Are serving black and minority ethnic communities, refugees and asylum seekers, women, and address domestic violence issues.
- Demonstrate that they will use the Council's grant to attract funding from other sources.

6.20 It is recommended that the criteria and conditions apply to the central grants and SLA's, community premises and community lettings but not the departmental arrangements or discretionary rate relief. The latter are necessarily based on separately identified needs and criteria.

6.21 In respect of the community premises, Members are asked to consider whether the existing administration process is still relevant or whether the cost of running the premises should be allocated on a grants basis, for voluntary organisations to submit bids to purchase space.

### **Grants –V- SLA’s and Funding Duration**

6.22 Under the present support given by the Grants Panel, there is no clear rationale over why some organisations are given SLA funding as opposed to a grant.

6.23 It is therefore advisable that a threshold be established for SLA funding. Grants below this threshold of, say £10,000, could be subject to a simple funding letter setting out the purpose of funding and reporting requirements.

6.24 New SLAs will include details of any conditions attached to the funding, objectives and performance measures, clear reporting requirements linked to staged payments, and “clawback” arrangements, to reduce the financial risks to the Council.

6.25 For larger SLAs, say above £50,000 a year, the Panel may wish to consult the Portfolio Holder before making a decision.

6.26 In due course Members of the Panel may wish to consider allocating the annual budget between one-off grants, small grants, medium sized grants (governed by an SLA), and large grants (governed by SLA and subject to agreement by the Portfolio Holder). One-off funding could be used to help organisations that are newly formed.

6.27 Members are also asked to consider the merits of 3 year funding for grants and / or grants-based SLA’s, which would offer organisations more financial security, enable them to plan services on a longer term basis and assist them in their attempts to secure funding from other sources. In addition a three-year funding cycle would fit well with the Council’s medium term budget strategy.

6.28 In addition, Members are asked to consider the current distinction between departmental SLA’s & contracts with those SLA’s administered centrally. It is suggested officers review this over the next few months and report further to the Panel.

### **Balance of Funding**

6.29 Another area for consideration is the balance of funding. It is recommended that the application form and monitoring requirements are amended to collect information on :-

- Location of activity
- Type of activity
- Equality issues (for the organisation itself and its service users).

6.30 This will enable the Council to compile data and assess the balance of funding over a period of time across geographical areas / activities / equalities groups. It will also enable comparison with the vitality profile.

6.31 In the longer term the Panel could consider introducing targets in some areas.

## **Transitional Funding**

6.32 Depending upon the agreed criteria for future support, it would be advisable to establish transitional arrangements to enable historically funded groups, that may no longer qualify for funding, to make other arrangements. Transitional funds would also provide start-up grants for emerging organisations not yet meeting the new criteria.

## **Role of the Grants Panel**

6.33 It is recommended that the future role of the Panel encompasses the following strategic functions :-

- Taking a strategic view of support across the Council
- Promoting the Council's role in supporting the voluntary sector
- Recommending to Cabinet the small grants and SLA's, allocation of community premises support and community lettings.

6.34 In future it is recommended that the Panel receive short reports on small grants that meet the criteria and more detailed reports on SLA's.

6.35 Over a period of time the Panel may wish to explore ways in which umbrella groups as HAVS and HADS and could act in an advisory capacity for some funding decisions.

## **Role of the Grants Team**

6.36 Provision of advice and support for Voluntary Organisations at officer level also needs to be considered. The Grants Team could provide advice and support in relation to securing funding from other sources, capacity building, and community development. It is also possible that the Grants Team could provide training, access to IT and Legal Services at cost and procurement support. These proposals are clearly subject to resources available.

6.37 The Grants Team at present provides some support and advice to voluntary organisations in Harrow and undertakes limited community development work, as and when resources allow and the demands warrant it. Most of this work is carried out at the community premises, but it needs to be noted that officers do this over and above their main duties. Consideration needs to be given to a revised structure that would provide more capacity for community development and support to the voluntary sector.

6.38 It is proposed that a more detailed report on the structure and role of the grants team is provided to the Panel later in the year, together with suggestions on how the team should link with umbrella organisations such as HAVS in supporting the Panel's role in the future.

## **7. Consultation**

7.1 No consultation has been undertaken to date specifically in relation to this report although the report reflects the issues raised by the Grants Review Steering Group.

7.2 It needs to be noted however, that consultation did take place in relation to the review of the Education lettings service and the Council's Community Strategy.

- 7.3 Following Members guidance on the issues raised in this report, consultation will be undertaken with umbrella organisations in the first instance, for instance HAVS, HCRE, HADS, Harrow Sports Council, the Partnership Board, MIND, MENCAP, Arts Culture Harrow and the Primary / Secondary Heads groups.
- 7.4 The second stage of consultation would take place with organisations currently in receipt of grants.
- 7.5 The proposed timetable for consultation is as follows:-

3<sup>rd</sup> – 14<sup>th</sup> May :                      Stage 1 Umbrella Group Consultation

17<sup>th</sup> May – 4<sup>th</sup> June :                Stage 2 Wider Consultation

Grants Panel Meeting                (Consultation Feedback) 29<sup>th</sup> June

Cabinet                                      29 July

## 8. **Finance Observations**

- 8.1 Detailed financial information is contained in the body of this report.

## 9. **Legal Observations**

- 9.1 None.

## 10. **Conclusions**

- 10.1 There is a need for the various units across the Council providing support to the voluntary sector to exchange information and for the Grants Advisory Panel to have an overview of the totality of support provided, in order to inform its own recommendations on the allocation of funding.
- 10.2 In addition there is a need to re-examine the criteria for providing support to ensure that this is still appropriate, particularly in the light of the Council's new community strategy.
- 10.3 To summarise, Members views are sought on the following points set out in this report:-
- The suggested Community Strategy based Criteria
  - The suggested qualifying conditions for voluntary organisations
  - Possible weighting for certain criteria
  - Whether the community premises space should be allocated via a grants bidding process
  - The threshold between grants and SLA's
  - 3 year funding for grants and / or grant-based SLA's
  - The distinction between departmental SLA's and contracts and those administered centrally
  - Monitoring information required to enable the council to review the balance of funding over a period of time
  - Whether transitional funding arrangements should be developed
  - The future role of the Grants Panel and Grants team
  - The method and timetable for consultation

11. **Background Papers**

11.1 None

12. **Author**

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