

Meeting:	Grants Advisory Panel
Date:	8 th June 2009
Subject:	Interim Review of Grant Criteria 2010 - 11
Key Decision:	No
Responsible Officer:	Brendon Hills – Corporate Director (Community & Environment)
Portfolio Holder:	Councillor Chris Mote, Portfolio Holder for Community and Cultural Services
Exempt:	No
Enclosures:	Appendix 1: Grants Programme – Proposals for Change: 2010 - 2011 Appendix 2: Consultation questionnaire

Section 1 – Summary and Recommendations

This report provides an update on action taken to respond to the Scrutiny Review – ‘Delivering a strengthened voluntary and community sector for Harrow’ (Nov 08), recommendation 15:

“For the Grants Advisory Panel to engage with the VCS to consider the criteria for 2010/11 grants round and take account of the concerns raised through this scrutiny review about the current system.”

Recommendations:

There are no recommendations attached to this report as this is being presented as a discussion paper only.

The views of the Panel will be noted and incorporated into the final consultation report, and this will be presented to the Grants Advisory Panel meeting on 2nd July for consideration.

Reason: (For recommendation)

To enable completion of the Scrutiny Review of the current grants process.

Section 2 – Report

2.1 Introductory paragraph

- 2.1.1 This discussion paper will enable the Panel to explore the options set out in the suggested changes detailed in appendix 1 of this report.
- 2.1.2 The voluntary and community sector (VCS) are being consulted on suggested changes to the grants programme - 6 weeks consultation with a closing date of 5th June 2009. A consultation report with recommendations will be presented to the Grants Advisory Panel meeting on 2nd July

2.2 Options considered

2.2.1 Suggested changes to the Grants Criteria:

- 2.2.1.1 Change 1 – considers options for the statement regarding eligibility criteria for grant aid. (See pages 1 and 2 of Appendix 2 for details).
- 2.2.1.2 Change 2 – considers the size of grants available and whether the grants budget should be divided and a percentage allocated to the different size grants. (See pages 2 and 3 of Appendix 2 for details.)
- 2.2.1.3 Change 3 – considers whether funding priorities should be restricted to a few selected themes each year that reflect the Council's corporate priorities. (See page 4 of Appendix 2 for details.)
- 2.2.1.4 Change 4 – considers at what stage applicants should be asked to submit supporting documents and whether the amount awarded should reflect the amount of supporting documents requested. (See pages 4 and 5 of Appendix 2 for details).

2.3 Background

- 2.3.1 During 2004, GAP approved the following recommendations which arose from the Council's strategic review of support to the voluntary sector, that:
- “Applicants must be a voluntary group based in Harrow, with 80% of its members/users from Harrow”.
The latter part of the statement was amended at GAP in July 06 to read “....., with 80% of its beneficiaries either living or working in Harrow.”
 - “.... A threshold of £10,000 be established for SLA funding”; and in addition these would be issued on a 3-year term.
 - Grants under this £10,000 threshold would be subject to a simpler grant agreement.
 - “... the priorities of the Council's Community Strategy should be embedded in the grants processes”

2.3.2 As recommended by the Overview and Scrutiny Review in the interim report on 8th July 2008 and 9th December 2008, the Grants Advisory Panel should consult with the Voluntary and Community Sector, to address the concerns raised by the sector, in preparation for the grants round 2010/11.

2.4 Current situation

2.4.1 During 2008, Harrow Council undertook a scrutiny review to examine its relationship with the voluntary and community sector. Through this review, a number of concerns were raised about the current grants process. The scrutiny review made a number of recommendations, some of which will be further explored through the development of a Third Sector Strategy. The scrutiny review also recommended a review of current grant criteria to be made in the interim to the grants process for the 2010/2011 round.

2.5 Why a change is needed

2.3.3 The Overview and Scrutiny Review found that there was a lack of confidence and trust in the current grant arrangements; and the following concerns were expressed:

- (a) Lack of clarity about what the process is actually for
- (b) Lack of priorities in awarding grants
- (c) Concerns about the transparency of the process
- (d) Concerns about the appropriateness of criteria
- (e) Lack of effective appeals process
- (f) The application process
- (g) The need to strengthen monitoring arrangements
- (h) Grant awards do not match the amounts bid for.

It is recommended that the proposed changes address improvements to concerns (a), (b), (c) and (d), in the interim. Proposals to address items (e), (f) and (g) will be presented at the Grants Advisory Panel meeting on 2nd July 2009.

Proposed Changes:

2.3.4 **The current grant eligibility criteria** states:

“The applicant must be a voluntary group based in Harrow with 80% of its beneficiaries either living or working in Harrow”.

This condition requires organisations to demonstrate that they are both based in Harrow, and deliver services to 80% of beneficiaries living or working in the borough.

This statement is open to interpretation, therefore it is suggested that the grant qualifying condition be stated more clearly by splitting it into the following two statements:

(1) “Grant aid will be available to support voluntary and community organisations to deliver services, where this resource is used solely for the benefit of people living in Harrow”

The second part could read as follows:

either

- The service provider can be based outside of Harrow but must deliver services in the borough

or

- the organisation must be based in Harrow

2.3.5 Size of grants: Each year the council agrees a grants budget for allocation to the voluntary and community sector. Last year, the total grants budget was £769,310 of which £550,987 (72%) was committed to extending the current SLAs for one year and £218,323 (28%) was available for ‘one-off’ projects for the year. Prospective applicants are not informed of the size of the grants budget available or the minimum and maximum grant sizes available. Therefore a number of organisations unwittingly make unreasonable requests for excessive amounts of funding; and are rejected on the basis that the grants budget has insufficient funds to meet these demands. The Overview and Scrutiny also identified this as an issue by stating that:

“...the majority of the grants budget is not actually ‘up for grabs’ each year as it has been committed to SLAs”.

It is suggested that three sizes of grants are made available:

- Small grants – value - £500 - £2000
- Medium grants – value - £2001 - £10,000
- Large grants – value - £10,001 - £100,000

to ensure that applicants are aware of the minimum and maximum grant aid available for each award.

As agreed in 2004, grants with a value of over £10,001 will continue to be issued as SLAs.

To improve transparency, it is also suggested that a percentage of the total grants budget is allocated to the different grant sizes. (See appendix 2 for options.)

2.3.6 Funding priorities: Grant aid enables the council and the voluntary and community sector to work in partnership to provide services that contribute to the delivery of Harrow’s corporate priorities and address the needs of its diverse community. Since 2004, applicants have been asked to demonstrate how their proposed project addresses funding priorities outlined in the Sustainable Community strategy. The Scrutiny review found that these priorities were considered to be too high level and too broad to properly inform the grants decision-making process and stressed the need for clearer objectives.

The Review also found that the sector believed, that in practice, these priorities had very little influence on the final funding decisions, as historical factors tended to override current priorities, thus restricting applications from new and emerging groups. Evidence from the 2009/10 grants round showed that 10 out of the 15 new applicants were not awarded funding.

It is suggested that the Panel agrees a limited number of funding priorities in advance of the next grants round that are in line with corporate and partnership priorities.

This approach is similar to other boroughs, for example: Brent Council targets their grants budget on one of the themes from their corporate strategy in a 3-year funding cycle; and during the 2009-12 funding round, the children and young people theme was the focus of the main grants programme.

- 2.3.7 **Conditions for approval of grant:** Currently applicants are required to provide supporting documents to demonstrate that they have the required structures and policies in place at the point of application. This forms the first stage of the assessment and applications will not be considered for funding if any of these documents are not submitted. The checking of documents is an administrative burden at the point of assessment of applications taking up valuable time that could be spent assessing applications against funding priorities. This requirement also presents challenges to new, emerging organisations who may not have all the required policies in place, and maybe applying for relatively small amounts of grant. It is therefore suggested that applicants be asked to provide this evidence, **only after** the grant has been agreed by Cabinet.

Currently, all applicants are required to submit the same number of supporting documents regardless of the level of funding requested. For example, an applicant requesting £500 would be expected to provide the same amount of information as someone applying for £10,000. It is therefore suggested that the amount of supporting documents required be proportionate to the amount of grant aid requested. (See page 4 of appendix 1 for details of the supporting documents required for each suggested type of grant.)

Implications of the Recommendation

The Panel is requested to consider the possible implications of these proposals should they be agreed and implemented.

2.6 Resources, costs

2.6.1 The aim is to provide improved clarity and transparency in the grants process that will lead to better use of existing resources. For example, if officers are no longer required to gather and collate documentary information as part of the first stage assessment, they will have more time to ensure that each application is assessed against the criteria and funding priorities.

2.7 Staffing/workforce

2.7.1 As above

2.8 Equalities impact

2.8.1 By dividing the budget into three sizes of grants and reducing the amount of documentary information required from organisations requesting less than £10,000, smaller grassroots organisations that tend to be from the black and ethnic minority community may be more able to access funding.

2.8.2 The targeting of the grants budget on a select number of themes from the Harrow Sustainable Community Strategy could have an adverse affect on those organisations that have previously benefited from grant aid.

2.8.3 An equalities impact assessment will be undertaken as part of the review, and the outcome of this will be presented to the Grants Advisory Panel meeting on 2nd July.

2.9 Legal comments

2.9.1 There are no legal comments or implications as this report is only a discussion paper at this stage.

2.10 Community safety

2.10.1 There are no implications as this report is only a discussion paper at this stage.

2.11 Financial Implications

2.11.1 There are no financial implications as this report is only a discussion paper at this stage.

2.12 Performance Issues

2.12.1 NI 7, which relates to creating an environment within which the voluntary and community sector can thrive, has been adopted as part of Harrow's Local Area Agreement. These suggested changes will

contribute to achieving an improved environment.

2.13 Environmental Impact

2.13.1 There are no environmental implications as this report is only a discussion paper at this stage.

2.14 Risk Management Implications

2.14.1 There are no risk management implications as this report is only a discussion paper at this stage.

Section 3 - Statutory Officer Clearance

Name: Sheela Thakrar	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 26 th May 2009		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 27 th May 2009		

Section 4 – Performance Officer Clearance

Name: Tom Whiting	<input checked="" type="checkbox"/>	Divisional Director (Strategy and Improvement)
Date: 22 nd May 2009		

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Strategy and Improvement)
Date: 26 th May 2009		

Section 6 - Contact Details and Background Papers

Contact: Audrey Salmon, Interim Service Manager – Community Resources and Projects

Background Papers:

Appendix 1: Grants Programme – Proposals for Change: 2010 - 2011
Appendix 2: Consultation questionnaire – 2010 – 2011