

Meeting:	Grants Advisory Panel
Date:	2 July 2009
Subject:	Funding Arrangements for 2009/10 and 2010/11
Key Decision: (Executive side only)	Yes
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 – Funding awarded in 2009/10 less than recommended by Officers Appendix 2 – Sustainable Community Strategy, March 2009 Appendix 3 - Mapping Local Area Agreement priorities and national indicators against the Sustainable Community Strategy

SECTION 1 – SUMMARY AND RECOMMENDATIONS

This report sets out proposed funding arrangements for 2009/10 and 2010/11.

RECOMMENDATIONS:

The Grants Advisory Panel is requested to agree the following recommendations to the Leader of the Council for approval:

1. Arrangements for allocating unspent funds for 2009/10. See paragraph 4.1.2 and 4.1.3 for details.
2. Funding priorities for 2010/11. See paragraph 4.2.4 for details.
3. Arrangements for supporting sports activities through the grants programme. See paragraph 4.3.2 for details

REASON:

1. To establish a process to allocate any unspent funds within the financial year to reduce the risk of losing funds.
2. To clarify what activities will be funded through the grants programme.
3. To clarify how the grants programme will support sports activities from 2010 onwards.

SECTION 2 - REPORT

2.1 Introductory Paragraph

- 2.1.1 This report recommends options for the allocation of unspent funds for 2009/10; recommends funding priorities for 2010/11; and changes to the way that sports activities are funded through the grants process.

2.2 Brief Background

- 2.2.1.1 **Allocating unspent funds** - The Council's financial regulations stipulate that council funds cannot be carried forward from one financial year into the next financial year. If the Grants Advisory Panel do not allocate the whole grants budget at their meeting at the beginning of the year there are currently no arrangements for managing these unallocated funds in the grant-making cycle.
- 2.2.1.2 **Funding priorities** - It was agreed at the GAP meeting in July 2006 that "... the priorities of the Council's Community Strategy should be embedded in the grants processes" (Priorities agreed through Harrow Strategic Partnership)
- 2.2.3 **Supporting sports activities**
Currently, the grants programme does not support sports organisations, because an SLA (Service Level Agreement) was established over 3 years ago with the Harrow Sports Council to distribute funds to this part of the voluntary and community sector.

3.3.1 Current Situation

- 3.3.1.1 **Allocating unspent funds** - There is a current underspend of £3,110 for 2009/10, which will need to be allocated before the end of March 2010, and there is currently no process for doing so.
- 3.3.2.1 **Funding priorities** - Since 2004, applicants have been asked to demonstrate how their proposed project addresses funding priorities outlined in the Sustainable Community strategy. The Overview and 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.
- 3.3.2.2 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 or new applicants. Evidence from the 2009/10 grants round showed that 10 out of the 15 new applicants were not awarded funding.
- 3.3.2.3 There are approximately 1500 voluntary and community groups operating in Harrow and under 4% of the sector is currently supported through the grants programme. There are limited funds available through the grants programme and therefore an effective and transparent way of managing the potential demand for this resource has to be agreed, whilst ensuring that it addresses agreed partnership priorities.
- 3.3.3 **Supporting sports activities** –
- 3.3.3.1 Harrow Sports Council (HSC) has been funded via a Service Level Agreement for a number of years, to the value of £27,540.

3.3.3.2 The SLA requires HSC to:

- Provide grants to local sports clubs and individuals for local sports development initiatives
- Provide support to the Council with the development and administration of Borough teams and associated costs for a number of events, e.g. London Youth Games
- Secure entry for local teams (through the payment of annual entry fees) for the London Inter-Borough Swimming Championships.

3.3.3.3 Monitoring of the funding received for 2006/07 highlighted a number of issues. Some of the targets set out in the SLA have not been met and there have been concerns raised about the grants process and how grants were considered and agreed. A number of suggestions were made as a result of this monitoring but were not implemented. The monitoring of the funding received in the following year, 2007/08, highlighted the same issues as well as concerns that the management committee, apart from the Chairman, was not active and the post of Treasurer was vacant. Also, HSC no longer have involvement in the events outlined in the SLA as these are either now dealt with directly by the Council's Sports & Leisure Development Team or they are no longer taking place. There was also an under-spend of the funding of £4,077.50 for the financial year 2007/08. The organisation's balances at 31st March 2008 were £15,863.45, which had accumulated due to underspends over the past few years.

3.3.3.4 As all SLAs were extended for 2009/10, officers from the Grants Team met with all SLA providers to review and update service specifications. Members of the Sports & Leisure Development Team and Grant officers met with the Chairman of HSC in April 2009 and the SLA was amended. It was agreed that HSC would:

- Lead a sub committee of the CSPAN (Community Sports & Physical Activity Network), co-ordinated through the Council's Sports & Leisure Development Team, to distribute grants to local sports groups and initiatives, as an interim arrangement for 2009/10
- Continue to distribute grant aid to individuals through it's own bi-monthly meetings
- Ensure that all the positions on the management committee were filled
- Actively promote the role of HSC by producing and widely distributing promotional literature.

3.3.3.5 To date, despite verbal agreements to the revised SLA, it has not been signed by the organisation and they have not responded to requests to hold a meeting to monitor the funding received during 2008/09.

4. Why a change is needed

4.1 Arrangements for allocating unspent funds

At the end of 2008/09, £11,034 of the grants budget was unallocated at the Grants Advisory Panel meeting held in March. In accordance with the Council's financial regulations these funds would not be available for rolling forward in to the new financial year. After the deadline for receiving grant applications had closed a late request for financial support was received from the Welldon Activity Group. Although there was no precedent for allocating these unspent funds, Grant Officers in agreement with the Portfolio Holder prepared a report for the allocation of these funds and presented this to the Grants Advisory Panel. It was agreed at the meeting in March 2009 that £10,000 be awarded to the organisation to meet an unexpected increase in rent. Subsequently however, a compact complaint was submitted stating that "there was no process for seeking applications for unallocated sums". The investigation that arose from the compact complaint recognised that the process for allocating unspent funding was not transparent or compliant with the Compact, and recommended that officers

develop a clear process for dealing with unspent funds. As there is a need to establish a clear and transparent process for allocating un-spent funds, it is recommended that the panel adopt the following:

4.1.2 To be adopted for 2009/10 only

To consider 'topping –up' grants for organisations, where officers had recommended increased funding because they had demonstrated an increase demand for their service. Appendix 1 provides a list of organisations that were recommended for increased funding in the last round, with a copy of the original grant report. It is recommended that this option should only be adopted as an interim arrangement for 2009/10, as a fair and transparent method of allocating un-spent funds. The panel should also agree to allocate the under spend of £3,110 to the grant recipients listed in appendix 1.

4.1.3 To introduced from 2010 onwards

The entire grants budget should be allocated at the beginning of the financial year to avoid the need to distribute funds within the year. The following recommendation would only be necessary if funds were returned to the grants budget from organisations that have:

- been dissolved
- under spent their allocation
- not provided supporting documentation after their grant had been agreed. (If this recommendation is adopted by panel)

4.1.3.1 It is recommended that from 2010 a Reserve List of successful applicants be established to allocate unspent funds within the financial year. Due to the restricted budget, it may not always be possible to award organisations the amount requested or recommended by officers and therefore by establishing a reserve list, when funds becomes available, the panel can consider increasing the funding to grant recipients at a later date. Such organisations would have been subjected to the grants process and would have been assessed alongside other applicants during the same grants round. This would be a fair and transparent way of allocating un-spent funds within the grants budget.

4.2 Funding priorities

4.2.1 As part of a recent grants consultation, the voluntary and community sector were asked if they agreed that:

“Funding priorities should be restricted to a few themes from Harrow’s Sustainable Community Strategy”

4.2.2 Although 32 out of 49 (65%) respondents stated that they agreed with this proposal, counter arguments received from those that opposed this suggestion should also be considered. The following comments represent the objections to this proposal:

“Danger of being exclusive”

“Harrow’s Sustainable Community Strategy is a good specific identifier of need, but should also be open to provide for the themes showing greatest needs within Harrow and therefore fund organisations willing to tackle those problems.”

“The Voluntary Sector is very diverse and much of what is delivered is through innovation, by restricting to Community Strategy services will be restricting innovation plus change taken away”

“ ... all groups that offer a service should be given careful and full consideration”

- 4.2.3 At the GAP meeting in June 2009 members, also, did not support this proposal, as they believed that it would exclude a large proportion of the sector and would have an adverse affect on currently funded organisations.
- 4.2.4 The priorities in the Sustainable Community Strategy and the Local Area Agreement have resulted from extensive consultation through the Harrow Strategy Partnership and wider local networks and therefore reflect the proven needs of the borough. Therefore it is recommended that the panel match the ‘national indicators’ from Harrow’s Local Area Agreement (2008 - 2011) against the themes of the Sustainable Community Strategy and agree these as priorities for the next grants round. See appendix 2 for Sustainable Community Strategy Priorities.
- 4.2.5 This would clearly define the funding priorities for the voluntary grants programme and enable officers and panel members to be clear about what activities the grants programme will support and how the sector could contribute to agreed partnership objectives. Successful applicants would need to demonstrate how their project addresses the funding priorities; and as a consequent it would be possible to align the activities funded through the grants programme to these priorities.
- 4.2.6 Currently funded activities have been mapped against national indicators in Appendix 3. The panel should bear in mind however that some organisations meet a number of the indicators, but for the purpose of this exercise have only been linked to one, others have been tenuously linked to an indicator and one organisation does not appear to address any of the priorities or the indicators. For example, there are no national indicators for adult mental health and therefore Relate’s current project would not receive funding if this approach were to be adopted. In such cases, the organisation may need to adapt their activities or revise their application to address the priorities or seek funding from elsewhere. It is apparent that most of the grant activities address the following themes: ‘Culture, Communities and Identify’ and ‘Health, Wellbeing and Independence’; and there are very few organisations contributing to the ‘Economic Development in Harrow’, ‘Improving the Environment’, ‘Every Harrow Child’ and ‘The Future of Public Services and Democracy’ themes. This is worth noting, as the panel may want to address this imbalance, by actively encouraging applications from organisations that have not been considered for funding to address these themes.

4.3 Funding Sports Activities

- 4.3.1 The panel agreed that grants would not support sports organisations requesting grant aid or sponsorship for individuals as a service level agreement was established with Harrow Sports Council to distribute grants to this part of the sector.
- 4.3.2 However due to the concerns raised in this report, it is recommended that:
- This arrangement does not continue and that Harrow Sport Council’s SLA is not extended when it expires in March 2010
 - The funding of £27,540, which has been allocated to the HSC for the last few years, should remain in the grants budget and be distributed to sports organisations as part of the grants programme.
 - The wording in the guidance notes that states that the Council will not support “sports organisations seeking match funding” be removed.

- 4.3.3 This would mean that sports organisations who have received grant aid through HSC would be subject to the same application and monitoring process as other applicants to the grants programme, which would ensure a consistent and transparent approach in the distribution of grants to the sector and greater accountability in the use of council resources.

5. Implications of the Recommendation

5.1 Staffing/workforce

- 5.1.2 There are no staffing/workforce implications for the Council in relation to this report.

5.2 Equalities Impact

See attached equality impact assessment for details.

5.3 Legal Implications

- 5.3.1 The Council is empowered to make grants to voluntary organisations under Section 48 of the Local Government Act 1985 as well as under other legislation. Having an approved process will ensure that the Council can comply with its legal duties and its statement of intention of the Compact with the voluntary sector.

5.4 Community Safety

- 5.4.1 There are no community safety implications for the Council related to this report.

5.5 Financial Implications

- 5.5.1 The financial implications are being negated by the recommendations set out in this report. For example, by establishing arrangements for allocating unspent funds within the financial year, this reduces the risk of an under-spend at the end of the year.

5.6 Performance Issues

- 5.6.1 National Indicator (NI) number 7, which relates to creating an environment in which the voluntary and community sector can thrive, has been included within Harrow's Local Area Agreement. Results from the first national Third Sector Survey indicate that Harrow's performance against this indicator is 10.4%. Harrow will be aiming to improve performance by a statistically significant amount, now agreed as an increase of 4.4%.
- 5.6.2 The recommendations in this report have the potential to contribute to improving performance against this indicator by:
- Encouraging innovation within the sector.
 - Clarifying the eligibility criteria;
 - Improving the application process so that it is clear, transparent and easier to access;
 - Improving the speed and effectiveness of the grant decision-making process
- 5.6.3 The provision of grant funding to voluntary and community sector organisations has the potential to contribute to NI 1 '% of people who believe people from different backgrounds get on well together in their local area'. Current performance against this indicator is 49% and target performance is 61%. This will be achieved by encouraging grant applications from all sections of the wide and diverse voluntary and community sector, so that:
- Different sections of the community can identify and address their own needs, in line with the Harrow Strategy Partnership priorities
 - Community cohesion can be developed amongst the same and different communities.

5.6.4 The provision of grant funding to voluntary and community sector organisations has the potential to contribute to NI 6 'Participation in regular volunteering'. The target increase in numbers volunteering is 300 for 'socially excluded' volunteers and 1,200 for other volunteers. The current position is an achievement against target on 'socially excluded' volunteers and a slight under-achievement against 'other volunteers'.

5.7 Environmental Impact

5.7.1 There are no environmental impacts for the Council in relation to this report.

5.8 Risk Management Implications

5.8.1 There are no risk management implications for the Council in relation to this report.

Risk included on Directorate risk register? **No**

Separate risk register in place? **No**

SECTION 6 - STATUTORY OFFICER CLEARANCE

Name: Sheela Thakrar	<input type="checkbox"/>	On behalf of the* Chief Financial Officer
Date: 19 th June 2009		
Name: Jessica Farmer	<input type="checkbox"/>	On behalf of the* Monitoring Officer
Date: 19 th June 2009		

Section 7 – Performance Officer Clearance

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	Divisional Director (Partnership Development and Performance)
Date: 19 th June 2009		

Section 8 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 19 th June 2009		

SECTION 9 - CONTACT DETAILS AND BACKGROUND PAPERS

Contact:

Audrey Salmon, Interim Service Manager – Community Resources and Projects (ext. 5332)
Parveen Vasdev, Principal Grants Officer (ext. 7625)
Charlotte Clark – Senior Grants Officer (ext. 2335).

Background Papers:

Appendix 1 Funding awarded in 2009/10 less than recommended by Officers
Appendix 2 – Sustainable Community Strategy, March 2009
Appendix 3 Mapping Local Area Agreement priorities and national indicators against the Sustainable Community Strategy