

Meeting:	Grants Advisory Panel
Date:	8 <sup>th</sup> September 2009
Subject:	Arrangements for allocating unspent funds for 2009/10
Key Decision:	No
Responsible Officer:	Brendon Hills – Corporate Director (Community & Environment)
Portfolio Holder:	Councillor Jean Lammiman, Portfolio Holder for Community and Cultural Services
Exempt:	No (except for Appendix 1, exempt information under paragraph 1 of Part 1 of schedule 12A of the Local Government Act 1972)
Enclosures:	Appendix 1: List of Organisations recommended for increased funding in March 2009, with copies of original grant reports (Part 2).

## Section 1 – Summary and Recommendations

This report presents proposed arrangements for allocating unspent funds for 2009/10

### **RECOMMENDATIONS:**

The Panel is requested to consider the proposed arrangements for allocating unspent funds and make recommendations to the Portfolio Holder for Community and Cultural Services for approval of the unspent funds to the groups as set out at Appendix 1.

**Reason: (For recommendation)**

To establish a process to allocate any unspent funds within the financial year to reduce the risk of losing funds.

## **Section 2 – Report**

### **2.1 Introductory paragraph / Background**

2.1.1 This report presents options for the allocation of unspent funds for 2009/10.

### **2.2 Brief Background**

2.2.1 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 no arrangements for managing these unallocated funds in the grant-making cycle.

2.2.2 It should be noted that following the deadline for receiving grant applications in 2008/09, a late request for financial support was received from Welldon Activity Group. Although there was no precedent for allocating unspent funds, Grant Officers in agreement with the Portfolio Holder, prepared and presented a report to the Grants Advisory Panel at its meeting in March 2009 to consider the request by Welldon Activity Group for additional financial support. It was agreed at this meeting to award £10,000 of the total unallocated amount to the organisation to meet the unexpected increase in rent.

2.2.3 A compact complaint was however subsequently submitted stating that "there was no process for seeking applications for unallocated sums". The investigation that followed 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 allocating unspent funds.

### **2.2 Current situation**

2.2.1 There is a current underspend of £3,110 for 2009/10, which will need to be allocated before the end of March 2010. There is no process at this present time to deal with underspends.

### **2.3 Options Considered**

2.3.1 A report was presented to the Grants Advisory Panel at its meeting in July 2009 to consider the options for allocating the underspend of £3,110 in this current financial year. Officers stressed that in accordance with the Council's financial regulations, this amount would not be available for rolling forward into the new financial year, and recommended that this be used to 'top-up' the grants of 4 organisations (listed in Appendix 1 with the original grant report), who had received less than the amount recommended by officers in the grants round in March 2009, but had demonstrated an increased demand for their service.

- 2.3.2 Although the Panel agreed this option in principle, it was however decided to defer the decision to a future meeting, pending the outcome of an outstanding compact challenge as outlined in paragraph 2.2.3 of this report.
- 2.3.3 The Harrow Strategic Partnership (HSP) met in July and agreed not to up-hold the compact challenge as they were assured that measures were being put in place to address the issues raised.
- 2.3.4 The Panel is therefore requested to consider the allocation of the unspent fund of £3,110 to the 4 grant recipients listed in Appendix 1.
- 2.3.5 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 unspent funds.

## **2.4 Why a Change is Needed**

- 2.4.1 Due to the restricted grants budget, a change is needed to the current process of dealing with grant allocations in order to avoid losing unspent funds, which cannot be rolled forward into the next financial year.

## **Implications of the Recommendation**

### **2.5 Staffing/workforce**

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

### **2.6 Equalities impact**

- 2.6.1 *See attached Equality Impact Assessment for details.*

### **2.7 Legal comments**

- 2.7.1 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 complies with its legal duties and its statement of intention of the Compact with the voluntary sector.

### **2.8 Community safety**

- 2.8.1 There are no community safety issues associated with the recommendations in this report.

### **2.9 Financial Implications**

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

### **2.10 Performance Issues**

## 2.10.1

National Indicator (NI) number 7, which relates to creating an environment in which the voluntary and community sector (VCS) can thrive, has been included within Harrow's Local Area Agreement. Results from the national Third Sector Survey (2008) indicate that Harrow's performance against this indicator is 10.4%, which is below the national average of 16.2%. Harrow will be aiming to improve performance by a statistically significant amount, now agreed as an increase of 4.4%. The grants programme has the potential to stimulate the VCS by supporting it to deliver shared outcomes for the benefit of Harrow's diverse community.

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'. The National Place Survey (2008) indicates that Harrow's performance against this indicator is 76.2%, which is in line with the national and London average of 76.4% and 76.3%, respectively. Harrow's target for this indicator in 2010/11 is 78%. The improvements to the grants programme will contribute to the achievement of this target 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.

2.9.1 The provision of grant funding to voluntary and community sector organisations has the potential to contribute to NI 6 ' Participation in regular volunteering'. The National Place Survey 2008 indicates that performance against this indicator is 24%, which is above national and London average of 23.2% and 20.8%, respectively. Harrow's target for this indicator in 2010/11 is 27.7%.

## 2.11 Environmental Impact

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

## 2.12 Risk Management Implications

Risk included on Directorate risk register? No

Separate risk register in place? No

### Section 3 - Statutory Officer Clearance

Name: Sheela Thakrar	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 25 August 2009		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 25 August 2009		

### Section 4 – Performance Officer Clearance

Name: Tom Whiting	<input checked="" type="checkbox"/>	Divisional Director (Strategy and Improvement)
Date: 25 August 2009		

### Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 25 August 2009		

### Section 6 - Contact Details and Background Papers

Contact: Audrey Salmon, Interim Service Manager – Community Resources and Projects, 020 8420 9332;  
Parveen Vasdev, Principal Grants Officer, 020 8424 7625

Background Papers: