



## **Harrow Council Strategic Review of Support to Voluntary Organisations: Proposed Strategic Recommendations**

### **Background**

The strategic review of grants to voluntary organisations commenced in January 2004. The Grants Advisory Panel has considered the review at three of its meetings and the resulting strategy takes account of Members decisions which themselves have been shaped by a comprehensive consultation process with the voluntary sector. The Grants Advisory Panel's recommendations will be presented to the Cabinet on 14<sup>th</sup> October 2004 for consideration and approval.

### **Reasons for the Strategic Review:**

- Funding patterns and administrative structures have remained unchanged for many years
- New and emerging needs
- Priorities needed re-evaluating, in line with the council's Community Strategy

### **Aims of the Review**

To establish a strategic framework for future funding that:

- Encompasses a council-wide approach to supporting the voluntary sector
- Simplifies administrative processes and establishes common criteria for different types of support
- Has maximum impact and represents best value
- Delivers Harrow Council's policy and grants priorities

### **Principles underpinning the Review**

- The need to improve partnership working
- A desire to improve transparency and clarity about funding decisions
- A commitment to improving the capacity and accountability of voluntary organisations in Harrow.

## **Introduction**

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

The total support provided in 2003/04 was £4.3m. This included £1m allocated via the Grants Panel of which 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.

## **Recommendations for a New Strategy**

The following headings set out the strategic principles recommended for adoption:-

### **1. Common Grants Criteria**

To encompass a Council-wide approach to supporting the voluntary sector, a consistent strategic approach is essential.

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.

Therefore the following criteria, which are based on the community strategy priorities, are recommended 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: -

- **Empowering Local Communities** - To promote the objectives of community cohesion, equality of access to services and life opportunities for all, enhancing the quality of life of older people, working with the voluntary and community sector as equal partners and celebrating the diversity of the communities of Harrow.
- **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; to reduce the incidence of personal, home, fire and road accidents within Harrow.
- **Regenerating Harrow** - To create a more vibrant and sustainable community with a diversity of employment, thriving businesses, a broad range of good quality and affordable homes and a dynamic town centre.
- **Greener Harrow** - To create a cleaner, greener, sustainable and more attractive Harrow in which to live, work and visit.
- **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 Information and Communications Technology (ICT) across Harrow to enable better and faster access to information and services for the residents 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 services in Harrow.

## 2. Grants Conditions

It is proposed that in future applicants should satisfy the following conditions:

- The applicant must be a voluntary group based in Harrow, with 80% of its members either living or working in 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, from whatever source.
- For community premises applications – the organisation must have no accommodation of their own. The Council reserves the right to review the tenure after a period of 3 years.
- The organisation should be able to 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).
- Organisations in receipt of funding in excess of £1,000 per annum from Harrow Council, must display the Council logo on their stationery acknowledging they are “supported by Harrow Council”.
- Organisations must commit themselves to explore all alternative / additional sources of funding

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

## 3. Emphasis on Certain Organisations and Activities

It is recommended that particular emphasis be placed on the following types of organisation and activity, those 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 disadvantaged black and minority ethnic groups and communities, refugees and asylum seekers and address domestic violence issues.

#### **4. Grants v SLAs**

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.

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

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.

In addition, it is recommended that funding for grants and grants-based SLA's will in future be based on a 3 year term, 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.

#### **5. The Balance of Funding**

In order to shape funding decisions, it is recommended that the application forms 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).

In the longer term 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.

In addition, the Council's overall financial support to voluntary organisations will be collated centrally and shared with all relevant parties within the Council in order to ensure funding is based on the wider understanding of how the Council supports the voluntary sector. This information will be provided annually commencing July 2005.

#### **6. Transitional Funding**

With the introduction of new community strategy-based funding, it is recommended that transitional arrangements be established 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. The Council will endeavour to assist groups affected by these changes.

#### **7. Community Lettings**

Under the new strategy, community lettings will encompass the education lettings service, community premises and any other appropriate Council facility which will come under the remit of the Grants Advisory Panel. The system of allocation is recommended to change from the current system involving the allocation of space to one of grant funding to enable the applicant to purchase the let. These will be administered by the grants unit.



If an organisation finds alternative and / or lower cost premises, favourable consideration will be given by the Grants panel to the difference in cost.

## **8. The Role of the Grants Unit**

Feedback from the voluntary sector highlighted some concerns over the effectiveness of the Council's relationship with voluntary organisations, which emphasised the need to address the level of support, advice and communications with Harrow's groups. A staffing review is currently being undertaken and the new team will have a more proactive and outward facing role and will start to build up a stronger relationship with the voluntary sector. In addition, the Council will provide wider support to voluntary organisations and give them access to the Council's procurement service. A further report will be put to the Grants Advisory Panel regarding detailed staffing proposals later in the year.