

**REPORT FOR: GRANTS ADVISORY
PANEL**

Date of Meeting:	2 December 2010
Subject:	Delivery of Council's Main Grant Programme for 2011/12 and Review of Support to the Voluntary Sector
Key Decision:	Yes
Responsible Officer:	Brendon Hills, Corporate Director Community and Environment
Portfolio Holder:	Councillor Rekha Shah, Portfolio Holder for Community and Cultural Services
Exempt:	No
Decision subject to Call-in:	Yes (following consideration by the Portfolio Holder / Cabinet)
Enclosures:	Appendix 1: Consultation questionnaire on the future of Council grant funding and support to the voluntary sector (document to be tabled)

Section 1 – Summary and Recommendations

This report sets out proposals for interim arrangements for the delivery of the Council's main grant programme whilst undertaking consultation and implementing changes to the way it supports the voluntary sector in the future.

Recommendations:

1. The Grants Advisory Panel (GAP) notes the consultation questionnaire in Appendix 1;
2. The Grants Advisory Panel (GAP) is requested to recommend to the Portfolio Holder the extension of all grant agreements for one additional month i.e. to 30th April 2011 (excluding those receiving one-off top up funding received in 2010/11) subject to conditions set out in paragraph 2.2.2 to enable the development and implementation of a revised grants process for 2012/13 and delivery of a grants programme for 2011-12;
3. The Grants Advisory Panel is also requested to recommend to Cabinet that authority is delegated to the Corporate Director for Community and Environment to make decisions on extending individual grant agreements subject to the conditions set out in paragraph 2.2.2.

Reason: (For recommendation)

1. The recommendations will enable the Council to undertake and implement a review of its support to the voluntary and community sector and deliver a grants programme for 2011-12.

Section 2 – Report

2.1 Introductory paragraph

In a difficult financial climate there is a pressing need to ensure that all Council budgets are used effectively to maximise their use and the benefit achieved for local residents. This includes those that deliver funding and support to the Voluntary and Community Sector (VCS) to enable the sector to deliver services alongside statutory partners. With the Council's adoption of its Third Sector Strategy and both NHS Harrow and the Council's Adults and Housing directorate reviewing service level agreements (SLAs), it is an opportune time to review other forms of Council's support to the sector.

Therefore, the Council is seeking the views of the voluntary and community sector on proposed changes to the way in which it provides some of this support. This report outlines options for the grant-funding application process for 2011/12 to allow for the consultation and review of support to be developed and implemented in time for the financial year 2012/13.

The Council recognises the valuable contribution that the sector makes in helping it achieve its corporate priorities including the following draft corporate priorities;

- United and involved communities: a Council that listens and leads
- Supporting and protecting people who are most in need

2.2 Options considered

2.2.1 Following the Grants Advisory Panel meeting on 7th September 2010, it was agreed that the Council would undertake a consultation into the review of grants. This consultation includes a review of other support to the voluntary sector such as Community Lettings and Community Premises. In order to allow for the results of this consultation and the review of grant funding/support to be implemented, the following options for managing the 2011-12 grants programme have been considered:

Option A: *Suspend the annual grants programme for 2011-12 with all current grant agreements ending on 31st March 2011.*

The main risk associated with this option is that a key source of funding becomes unavailable to *all* eligible voluntary organisations for a period of 12 months. The benefit of this option is that no voluntary organisation whether currently funded or not is treated differently during the review period.

Option B: *Delay the commencement of the 2011/12 grants programme for all groups until the consultation has concluded and changes have been implemented.*

Risks associated with this option are:

- (a) The timescale for implementation of changes following consultation (see table below in paragraph 2.4.4) means that the new process will not be in place in time to run an effective programme for 2011-12.
- (b) The provision of some key services may be affected by gaps in funding.
- (c) This option is more likely to create uncertainty for voluntary organisations.

The benefit of this option is that all organisations are treated the same whether currently funded or not. All organisations will have equal access to the grants programme once it re-opens.

Option C: *Extend current service level agreements to 31st March 2012, subject to organisations continuing to provide satisfactory monitoring information (excluding one-off top up funding awarded in March 2010) and invite applications for small grants with the remainder of the funding.*

Risks associated with this option are:

- (a) New applicants will be unable to apply for large grants in 2011-12.
- (b) Organisations currently receiving large grants are seen to be benefiting.

The benefit of this option is that it minimises the disruption to services provided by some currently funded organisations. This option allows grant funding to be distributed for 2011-12 whilst the review is completed.

Option D. *Extend all grant agreements by one additional month i.e. to 30th April 2011 and commence the application programme for 2011-12 in early December 2010 (see timetable below) with grant funding decisions made for an 11 month period.*

Proposed timetable:

Application period	December 2010 – January 2011
Assessment of applications	February 2011
Final grant recommendations to Cabinet	April 2011

2.2.2 This report requests that the Grants Advisory Panel recommends to the Portfolio Holder Option D (paragraph 2.2.1) i.e. extending current grant agreements (except those that received one-off, top up funding in March 2010) to 30th April 2011, subject to the following conditions:

- Compliance with the requirements set out in the service level / grant agreement, any breaches would invalidate the extension of funding.
- Organisation's compliance with monitoring requirements.
- The Council being satisfied through monitoring that services are being provided as described in the original grant application or service level agreement.
- Agreement by the organisation that funding is still needed for the services described in the original grant application or service level agreement.
- Agreement by the organisation that this is a one-off extension and does not imply any further extensions or continuation of funding by the council.
- An application for funding in 2011-12 has been made.

2.3 Background

2.3.1 There are three main areas of support to the voluntary sector currently administered by the Community and Environment Directorate for the Council:

a) Main Grants Programme

The annual grant application process to the Council by the voluntary sector from August-March each year. The grants budget for 2010/11 is £766,360.

b) Community Premises

Managed office accommodation in South Harrow, offering office space, meeting room and drop-in facilities, provided at no cost and originally intended to support new and emerging community organisations. 26 organisations are currently registered with Community Premises. This is provided at an annual cost of £105,000 to the Council

c) Community Lettings

A booking service for community organisations, offering concessionary rates (50% of the full rate) for school premises and the Teachers' Centre. Currently 20 out of a potential 50 sites operate the community lettings system for 45 voluntary and community groups with some schools offering direct booking outside of this service. (*Figures are not available for direct bookings with schools*). This concessionary rate is subsidised by the council at a cost of £89,000 per annum.

2.4.1 The Overview and Scrutiny review 'Delivering a strengthened voluntary sector' (December 2008) identified a lack of clarity around grants and the commissioning of voluntary sector services and a need for a more consistent approach that better relates to corporate priorities. There needs to be a process that differentiates between:

- a) funding that procures 'key' services from within the voluntary sector (commissioning)
- b) funding that is for one-off or small-scale projects or activities (grant funding).

2.3.2 An informal Member Review (June 2010) also made a number of recommendations about the future delivery of grants such as: setting a turnover limit on organisations able to apply for grant funding; making it clear to organisations that they will not be considered for more than one award etc. The review, together with feedback from the VCS also highlighted flaws in the current appeals process. Other feedback from the VCS has included how important it is to provide for further guidance on defining need, including disadvantage. The consultation will seek views on all of these issues.

2.4 Current situation

2.4.2 Following the Grants Advisory Panel meeting on 7th September 2010, it was agreed that the Council would undertake a consultation to review grants. This consultation includes a review of Community Lettings and Community Premises to determine if the existing models are still fit for purpose and meeting the needs of all of the voluntary and community sector as part of the support that the Council offers. The consultation will be conducted in line with the Harrow Compact code of practice on consultation. Appendix A contains the consultation questionnaire which went live on the 1st December 2010 with a closing date of 26th January 2011.

2.4.3 All voluntary organisations have been notified of the forthcoming consultation and to inform them that that the main grants programme application process for funding in 2011/2012 would be delayed. Officers have undertaken to write to all groups again by the end of December 2010 regarding arrangements for funding from 1st April 2011.

2.4.4 The consultation and implementation timetable below highlights key dates for the review. Following analysis of responses and report preparation final proposals will be presented to Cabinet in May 2011. Pending the outcome of the consultation and Cabinet decision it is proposed that the application process for 2012-13 would commence in June 2011.

Date	Activity
1 Dec 2010	Consultation starts
Dec / Jan (tbc)	Consultation Focus Group – daytime (tbc)
Dec / Jan (tbc)	Consultation Focus Group – daytime (tbc)
Dec	Community Premises User group consultation
Jan (tbc)	Schools consultation meeting
Jan (tbc)	Community Lettings user consultation meeting
26 Jan 2011	End of Consultation
April (tbc)	Report to GAP
19 May 2011	Final report to Cabinet
23 May 2011	Start revision of application pack and commissioning process
6 Jun 2011	Application period for 2012-13 small grants programme and commissioning commences

2.4.5 The intention of the proposal as contained in paragraph 2.2.2 Option D is to manage the transition between current and future arrangements whilst continuing to support the VCS with grant funding.

2.4.6 Decisions to extend grant agreements would be subject to;

- Compliance with the requirements set out in the service level / grant agreement, any breaches would invalidate the extension of funding.
- Organisation's compliance with monitoring requirements.
- The Council being satisfied through monitoring that services are being provided as described in the original grant application or service level agreement.

- Agreement by the organisation that funding is still needed for the services described in the original grant application or service level agreement.
- Agreement by the organisation that this is a one-off extension and does not imply any further extensions or continuation of funding by the council.

An application for funding in 2011-12 has been made.

2.5 Recommendation

2.5.1 The Grants Advisory Panel is therefore requested to recommend to the Portfolio Holder that current grant agreements (except those that received one-off, top up funding in March 2010) are extended to 30th April 2011, subject to the conditions stated above.

2.5.2 In addition, that authority is delegated to the Corporate Director Community and Environment to make decisions on the extension of individual grant agreements subject to the conditions stated above.

2.6 Implications of the Recommendation

2.6.1 Staffing/workforce

These proposals will be managed within existing staff resources.

2.6.2 Legal comments

The Council's executive has the power to distribute grants to voluntary and community organisations. Signed agreements are in place for all grant recipients. Extensions to current agreements will be subject to a signed deed of variation.

2.7 Financial Implications

2.7.1 The grants budget for 2010-11 is £766,360. The recommendation is based on the assumption that the budget will remain at this level for 2011-12, however this is subject to the Council's annual budget setting process and ratification by Cabinet at its meeting in February 2011. The proposed extension of grant agreements will be met from within the available budget, this includes any grants that are upheld as a result of grant appeals from 2010/11. The grants budget will not cover one-off 'top-up' funds agreed for 2010/11 as they are excluded from these arrangements.

2.7.2 Extensions to grant agreements will be subject to the conditions stated in paragraph 2.2.2. Correspondence with those organisations will state clearly that this is a one-off extension and does not imply any commitments to future funding by the Council.

2.8 Risk Management Implications

2.8.1 Risk included on Directorate risk register? Yes

The Directorate risk register identifies the following risk: The readiness of the Third Sector to manage and implement the major changes ahead in terms of decision-making and delivery.

The action identified to mitigate against this risk is: Deliver and resource the Third Sector Strategy and implementation of the action plan. The proposed changes to the way the Council supports the VCS which are subject to consultation will assist in the delivery of the strategy.

2.8.3 Separate risk register in place? No

2.7 Equalities implications

2.7.1 An equalities impact assessment will be undertaken on the proposed changes to arrangements for supporting the voluntary sector. The consultation forms part of this equality impact assessment.

2.8 Corporate Priorities

2.8.1 The Council recognises the valuable contribution that the voluntary and community sector makes in helping to achieve its corporate priorities. The report's recommendations support the delivery of the following draft corporate priorities.

- United and involved communities: a Council that listens and leads
- Supporting and protecting people who are most in need

Section 3 - Statutory Officer Clearance

Name: Kanta Hirani.	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 30 th November 2010		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 30 th November 2010		

Section 4 - Contact Details and Background Papers

Contact: Kashmir Takhar, Head of Service – Community Development, 020 8420 9331

Background Papers:

1. Report of Grants Advisory Panel meeting – 7th September 2010
<http://modern.gov:8080/mgConvert2PDF.aspx?ID=60289&T=10>
2. Minutes of Grants Advisory Panel meeting – 29th July 2010
<http://modern.gov:8080/mgConvert2PDF.aspx?ID=60517&T=1>
3. Overview and Scrutiny report 'Delivering a strengthened voluntary sector'
<http://modern.gov:8080/mgConvert2PDF.aspx?ID=4050&T=10>