

**REPORT FOR: GRANTS ADVISORY
PANEL**

Date of Meeting: 30 March 2011

Subject: Grant Funding 2011/12

Key Decision: No (not at this stage)

Responsible Officer: Brendon Hills, Corporate Director
Community and Environment

Portfolio Holder: Councillor Rekha Shah, Portfolio
Holder for Community and Culture

Exempt: No

**Decision subject to
Call-in:** No

Enclosures: **Appendix 1:** Grant application
breakdown 2011/12
Appendix 2: Grant assessment
scores
Appendix 3: Applications
unsuccessful at stage 1 assessment
Appendix 4: Summary reports

*(Appendix 2, 3 and 4 have been circulated
under separate cover)*

Section 1 – Summary and Recommendations

This report sets out information regarding applications for grant funding to the Main Grants Programme for 2011/12.

Recommendations:

The Grants Advisory Panel (GAP) is requested to recommend to Cabinet:

1. Grant recommendations for the 2011/12 Main Grants Programme based on the assessment of applications described in this report and as outlined in paragraph 2.2.6 Option 1, subject to:
 - (a) receipt of satisfactory supporting documents and references
 - (b) confirmation from the recipient organisation that the proposed project can be delivered within the amount recommended by the deadline of 3rd May 2011.
2. That 5% of the available grants budget is designated to meet any appeals which may be received for 2011/12 and that successful appeals cannot exceed this budget. Appeals to be assessed independently and final decisions to be made by the Portfolio Holder. If no appeals are received this funding to be made available for the reserve list.
3. That £20,781 is ring-fenced to fund the interim delivery and long-term development of support services for the voluntary and community sector to replace those provided by Harrow Association of Voluntary Service (HAVS).
4. That applications with a score below the threshold agreed for funding are placed on a reserve list.
5. That authority is delegated to the Corporate Director Community and Environment in conjunction with the Portfolio Holder for Community and Culture to (i) withdraw grant offers where organisations do not comply with the conditions of grant funding as in Recommendation 1 above and (ii) award available funds to organisations on the reserve list in order of highest scores achieved (where scores are tied that funding is only distributed when available).

Reason: (For recommendation)

1. To award funding from the Main Grants Programme to voluntary and community sector (VCS) organisations to support them in delivering their services in 2011/12.

Section 2 – Report

2.1 Introductory paragraph

- 2.1.1 The distribution of funding from the Main Grants programme to the VCS supports the delivery of the Council's vision 'Working together our Harrow our community'. Allocation of this funding is determined through an open, competitive process that invites applications from VCS organisations able to demonstrate that they meet the grant eligibility criteria.
- 2.1.2 The grant application programme for 2011/12 (to run from 1st May 2011 to 31st March 2012) opened on the 14th January 2011 and closed on the 14th February 2011. A total of 131 applications (including one received from HAVS) were received by the deadline date and the total funds requested amounts to just under £2.3 million. This report outlines how grant applications have been assessed and sets out options and recommendations for the distribution of grant funding for 2011/12 based on this process and within the financial resources available.

2.2 Options considered

- 2.2.1 The total amount of funding available for distribution from the Main Grants programme in 2011/12 is £669,360. Of this approximately £62,649 will be set aside to fund the one month grant extension payments approved by Cabinet on the 13th January 2011. The total budget therefore available within which grant recommendations for 2011/12 can be made is **£606,711**.
- 2.2.2 In 2010/11, there was a significant issue with the number of appeals received and the available funds for dealing with these. There were also issues with the process of determining these appeals. The Grants Advisory Panel is therefore requested to recommend that 5% of the available funds are set aside to meet any appeals which may be received for the 2011/12 and that total funds distributed for successful appeals cannot exceed this budget. Appeals will be assessed independently with final decisions to be made by the Portfolio Holder. This sum would total **£30,336**. The budget then available from within which grant recommendations can be awarded would be **£576,375**.
- 2.2.3 The Council has been notified that as of 31st March 2010 HAVS will cease to function. In response to requests from the VCS that some support services (such as volunteer recruitment and advice on external funding) continue to be maintained and a long-term strategy for the development of these is put in place, GAP is also requested to recommend to Cabinet that **£20,781** be ring-fenced from the available budget (it is anticipated that this will be matched by a £47,219 carry forward from 2010/11 subject to Cabinet approval). This would leave **£555,594** available for allocation.

2.2.4 The first stage assessment checked that the application had met the essential criteria, including indicating on the application form that a constitution, bank account and required policies are held by the organisation (if an application has been made for capital costs in addition to revenue costs these will be deducted from the final grant award). Applications not meeting all of these criteria are not recommended for funding and are listed in Appendix 3. **27** applications have been considered unsuccessful in the first stage assessment.

2.2.5 **103** applications have met the first stage assessment and are listed in Appendix 2 in order of scores achieved. The total budget available from within which grant recommendations can be made would be £555,594 (assuming 5% of the budget is set aside for future consideration of appeals and £20,781 is ring-fenced to fund voluntary sector support services).

2.2.6 Options for Allocation

In 2010/11 grants were awarded on a sliding scale of between 60%-80% of the amount requested depending on the score achieved. No application received 100% of its requested grant. GAP are asked to note Appendix 1 which shows the breakdown of grant applications between large, medium and small and different funding options based on score and proportion of grant award. For 2011/12, officers have identified a number of options for allocation of funds:

Option 1

GAP could approve grant recommendations for those applications achieving a score of 95% or above and award these projects 85% of the grant requested. This would allow 31 applications to be funded and would be in line with the overall reduction of grant funding by 15% for 2011/12. This would allocate £545,449 of the potentially available £555,594. Applications scoring below 95% could be placed on a reserve list and awarded funds if they became available. *This is the officers' recommended option.*

Option 2

GAP could approve grant recommendations for applications above a lower threshold and at a different percentage of the total requested (ranging from 100% to 60%). The maximum number of applications that could be funded is 40 (scoring 90% or above) at 60% of the award requested (totalling £520,647) as can be seen from the tables in Appendix 1. However, if no funds are set aside for appeals or for the development of a new infrastructure organisation, then 45 applications could be funded but at only 60% of funding applied for.

2.2.7 GAP is requested to recommend to Cabinet that grant recommendations are made based on Option 1 above, subject to:

- (a) receipt of satisfactory supporting documents and references
- (b) confirmation from the recipient organisation that the proposed project can be delivered within the amount recommended by the deadline of 3rd May 2011.

2.2.8 As the total value of applications assessed as having met the criteria is in excess of the grants budget available GAP is also requested to recommend that applications achieving scores lower than 95% are placed on a reserve list and are awarded funding if funds become available.

2.2.9 Recommendations

The Grants Advisory Panel is requested to note the options available and recommend to Cabinet:

- (i) Grant recommendations for 2011/12 based on option 1 in paragraph 2.2.6 subject to:
 - (a) receipt of satisfactory supporting documents and references
 - (b) confirmation from the recipient organisation that the proposed project can be delivered within the amount recommended by the deadline of 3rd May 2011.
- (ii) That 5% of the available grants budget is designated to meet any appeals which may be received for 2011/12 and that successful appeals cannot exceed this budget. Appeals to be assessed independently and final decisions to be made by the Portfolio Holder. If no appeals are received this funding to be made available for the reserve list.
- (iii) That £20,781 is ring-fenced to fund the interim delivery and long-term development of support services for the voluntary and community sector to replace those provided by Harrow Association of Voluntary Service (HAVS).
- (iv) That applications with a score below the threshold agreed for funding are placed on a reserve list.
- (v) That authority be delegated to the Corporate Director Community and Environment in conjunction with the Portfolio Holder for Community and Culture to (i) withdraw grant offers where organisations do not comply with the conditions of grant funding as stated above and (ii) award available funds to organisations on the reserve list in order of highest scores achieved (where scores are tied that funding is only distributed when available).

2.3 Background

2.3.1 Cabinet agreed at its meeting of the 13th January 2011 to:

“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

The following proposed timetable was agreed:

Application period to end	January 2011
Assessment of applications	February 2011
Final grant recommendations to Cabinet	April 2011”

- 2.3.2 The grant application programme for 2011/12 opened on the 14th January 2011 and closed on the 14th February 2011. During this period the grants team provided two information sessions for potential grant applicants, attended by a total of 12 potential applicants.
- 2.3.3 Application forms were available electronically via the Harrow Council website. A banner on the front page of the website directed applicants to the application form, guidance notes and information on how to download the required version of Adobe Reader. Information about the grants programme was also circulated to organisations via the community development database and other email networks.
- 2.3.4 One to one assistance with completing the form was provided by the Funding Officer at HAVS. During the application period face to face support was provided for 11 applicants, 16 queries were dealt with via email, approximately 30 telephone queries were received and a workshop was attended by 6 applicants. The Funding Officer received positive feedback about the electronic form and in particular organisations stated that they had found the automatic calculating function on the budget page extremely helpful.
- 2.3.5 This year's grant funding round was managed in accordance with the established process but incorporated a number of lessons learned from last year, including:
- The removal of questions on the scoring sheet that referred to duplication and track record, as questions about these are not asked on the application form.
 - The introduction of a word limit on sections of the application form.
 - The introduction of an automatic calculating sheet on the budget page that only allows information to be provided for one year.
 - The direct transfer of information from the application form in to the summary reports to ensure that information is not misrepresented or omitted.
 - The setting up of cross corporate, officer chaired panels to assess applications with rigorous record keeping to provide a clear and transparent audit trail for decision-making
 - A number of stringent quality checks throughout the process to ensure that mistakes have not been made with the scoring and assessment process.

These are not considered to be material changes to the process.

- 2.3.6 An information report was presented to GAP who noted the process by which applications have been assessed at their meeting on the 2nd March 2011.

2.4 Current situation

2.4.1 A total of 131 applications were received by the deadline date of 14th February 2011. The total amount requested amounted to just under £2.3 million. 31 applications have achieved a score above 95% and these applications are recommended for funding subject to the following conditions:

- (a) receipt of satisfactory supporting documents and references
- (b) confirmation from the recipient organisation that the proposed project can be delivered within the amount recommended by the deadline of 3rd May 2011.

2.5 Why a change is needed

2.5.1 In recent years there has been a consistently high level of demand for Council grant funding which is likely to continue to increase. In January 2011 the Council undertook a consultation with the voluntary and community sector to seek views on possible alternative arrangements for funding that would include both commissioning and delivery of a revised small grants programme. Based on the results of this consultation the Council will be developing proposals for revised funding arrangements.

2.6 Implications of the Recommendation

2.7 Legal comments

The Council may distribute grants in accordance with its agreed criteria. Due weight must be given in terms of equalities duties, procedural fairness and the statement of intention of the Compact with the voluntary and community sector. Should the Council distribute funds not in accordance with these principles, then it could be at risk of legal challenge.

2.8 Community safety

Some of the organisations recommended for funding contribute to community safety through the provision of activities such as third party reporting for hate crime, support for victims and diversionary activities for young people.

2.9 Financial Implications

2.9.1 The total budget available for grants in 2011/12 is £669,360. Of this approximately £62,649 will be set aside to fund the one month grant extension payments approved by Cabinet on 13th January 2011. The total budget therefore available within which grant recommendations for 2011/12 will be made is £606,711.

2.7.2 It is also recommended that 5% of the budget is set aside to deal with appeals arising from the 2011/12 grant funding round, this leaves £576,375 available for allocation.

2.7.3 It is further recommended that £20,781 is set aside to fund the interim delivery and long-term development of support services for the VCS this leaves £555,594 available for allocation.

2.7.4 The total value of the recommendations set out in paragraph 2.2.6 is £545,449. The proposed recommendations are therefore managed within the budget available and there are no other impacts on the budget.

2.8 Risk Management Implications

Risk included on Directorate risk register? No
Separate risk register in place? No

2.8.1 One of the risks identified with the provision of grant funding is the risk that the funding is not used in the way stated by the recipient organisation at application. This risk is mitigated by;

(i) Managing the payment of grant funding through a grant or service level agreement (depending on size of grant award) which sets out the Council expectations regarding financial and management controls of the organisation and service specification for the proposed service.

(ii) Annual monitoring process: The grant recipient is expected to participate in a process of annual monitoring which should highlight any issues regarding the use of Council grant funding.

2.9 Equalities implications

Was an Equality Impact Assessment carried out? Yes

2.9.1 The grant application process was assessed in March 2010 to ascertain whether or not the process had a disproportionately adverse impact on any of the protected equality groups. The results of this assessment showed that there was no differential impact on any of these groups. The application round for 2011/12 has been carried out using the same process but in addition further quality assurance checks have been built in to ensure transparent and consistent decision-making.

2.10 Corporate Priorities

2.10.1 The distribution of grant funding to the voluntary and community sector supports the delivery of the Council's vision 'Working together our Harrow our community' as well as the following corporate priorities;

- Keeping neighbourhoods clean, green and safe
- Supporting and protecting people who are most in need
- United and involved communities: a Council that listens and leads
- Supporting our town centre, our local shopping centres and our business

Each applicant is required to indicate on the application form which corporate priority the proposed project addresses. From the information provided the breakdown is as follows:

Corporate priority	Number of applications
Keeping neighbourhoods clean, green and safe	5
Supporting and protecting people who are most in need	74
United and involved communities: a Council that listens and leads	43
Supporting our town centre, our local shopping centres and our business	9

Section 3 - Statutory Officer Clearance

Name: Kanta Hirani	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 28 th March 2011		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 29 th March 2011		

Section 4 - Contact Details and Background Papers

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

Background Papers:

- (1) Report to Cabinet 13th January 2011: Delegation of authority to Corporate Director Community and Environment to process individual grant agreements subject to conditions and manage a revised grant timetable as described in option D
<http://modern.gov:8080/mgConvert2PDF.aspx?ID=60260&T=10>
- (2) Grant application forms received for 2011/12

APPENDIX 1: Breakdown of 2011/12 grant applications

Grants Applications
2011/12

Grant Allocation available

Total budget **£606,711**

-5% appeals **-£30,336**

Infrastructure support **-£20,781**

All First Stage Assessment Successful

Potential total for award **£555,594.00**

% score range	Number of applications	% Grant allocated								
		100	95	90	85	80	75	70	65	60
95-100	31	£641,704	£609,619	£577,534	£545,449	£513,364	£481,278	£449,193	£417,108	£385,023
90-100	40	£867,744	£824,357	£780,970	£737,582	£694,195	£650,808	£607,421	£564,034	£520,647
87-100	45	£989,106	£939,651	£890,196	£840,740	£791,285	£741,830	£692,374	£642,919	£593,464
85-100	53	£1,060,889	£1,007,845	£954,800	£901,756	£848,711	£795,667	£742,623	£689,578	£636,534
80-100	61	£1,157,925	£1,100,029	£1,042,132	£984,236	£926,340	£868,444	£810,548	£752,651	£694,755

Breakdown of applications by size

	Number of applications	Number 1st stage NOT successful	Number 1st stage successful applied for	Value of grants	85% funding
Large	48	6	42	£1,516,981	£1,289,434
Medium	57	12	45	£371,331	£315,632
Small	25	9	16	£27,600	£23,460
TOTAL	130	27	103	£1,915,912	£1,628,526