

**REPORT FOR: OVERVIEW AND  
SCRUTINY COMMITTEE**

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<b>Date of Meeting:</b>	27 <sup>th</sup> April 2011
<b>Subject:</b>	Process for managing applications for the Council's main grants programme 2011/12
<b>Responsible Officer:</b>	Brendon Hills Corporate Director Community and Environment
<b>Scrutiny Lead Member area:</b>	Name of Scrutiny Lead Member and Full Title
<b>Exempt:</b>	No
<b>Enclosures:</b>	Appendix 1: Guidance to applicants Appendix 2: Assessment scoring sheet Appendix 3: Breakdown of grant applicants

**Section 1 – Summary and Recommendations**

This report sets out information relating to the process for administering the 2011/12 Main Grants programme.

**Recommendations:**

The Overview and Scrutiny committee is requested to;

1. Note the improvements made to the grants administration process as a result of lessons learned in previous years and recommendations made by Internal Audit.

## Section 2 – Report

### 2.1 Introductory paragraph

2.1.1 The distribution of funding from the Main Grants programme to the voluntary and community sector 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 voluntary and community sector organisations able to demonstrate that they meet the grant eligibility criteria. The grant application programme for 2011/12 (to run from 1<sup>st</sup> May 2011 to 31<sup>st</sup> March 2012) opened on the 14<sup>th</sup> January 2011 and closed on the 14<sup>th</sup> February 2011. A total of 131 applications (including one received from HAVS) were received by the deadline date and the total funds requested amounted to just under £2.3 million. This report outlines how grant applications were assessed and how recommendations were made based on this assessment and within the financial resources available.

### 2.2 Background

2.2.1 In September 2010 the Grants Advisory Panel (GAP) recommended to the Portfolio Holder for Community and Culture to undertake a consultation on the future delivery of Council support through grants, community lettings and Community Premises. The timetable for the consultation had implications for the delivery of the main grants programme 2011/12. As a result of this GAP recommended to Cabinet in December 2010 a revised timetable for managing the grants programme. Cabinet agreed at its meeting on the 13<sup>th</sup> January 2011 to:

“Extend all grant agreements by one additional month i.e. to 30<sup>th</sup> 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”

2.2.2 The grant application programme for 2011/12 opened on the 14<sup>th</sup> January 2011 and closed on the 14<sup>th</sup> February 2011. During this period the grants team provided two information sessions for potential grant applicants these were held on the following dates:

25<sup>th</sup> January 2011: 6.30pm-8.30pm, Harrow Civic Centre

26<sup>th</sup> January 2011: 10am-12pm, Harrow Arts Centre

Information about these sessions was communicated to grant applicants in December. The sessions were attended by a total of 12 attendees. This was a significantly lower attendance compared to last year where approximately 50 attendees attended each session.

2.2.3 Grant application forms were available electronically via the Harrow Council website and applicants were encouraged to apply via this method. 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. Of the 131 applications received 123 were received using the electronic form.

2.2.4 Organisations requiring one to one assistance with completing the form were referred to the Funding Officer at Harrow Association of Voluntary Service (HAVS). During the application period she provided face-to-face support for 11 applicants, dealt with 16 queries via email, approximately 30 telephone queries and held a workshop attended by 6 applicants.

## **2.3 Current situation**

2.3.1 GAP received an update report on grant applications on the 2<sup>nd</sup> March 2011. The report outlined the following process for assessing applications:

### **2.3.2 First stage assessment**

The first part of the assessment determined whether or not an application was eligible for funding and met the following eligibility conditions (as described in the Guidance to Applicants attached at Appendix 1):

- That it meets the eligibility criteria.
- That the activity does not promote a particular faith or religion. That the activity does not promote or oppose any political parties or
- cause.
- That the project or activity does not provide a service that the Council has a statutory or legal obligation to provide.
- That the organisation has a constitution and a bank account in the organisation's name.
- That the organisation has the relevant policies and procedures in place.

If these conditions were not met the application was not recommended for funding.

### **2.3.3 Assessment questions**

An assessment scoring sheet (attached at appendix 2) was used to score applications. To ensure that the scoring sheet reflected the application form, the following amendments were made:

Two questions previously combined in to one question were separated:

- Has the applicant demonstrated the need for the service?
- Has the applicant demonstrated how the identified need will be met by delivering this project?

A question included on the application form but not previously included on the assessment sheet was included:

- Has the applicant clearly stated how they will continue the service after this funding has ceased? (This question was on the application form but was not previously included in the scoring sheet).

The following questions were removed from the scoring sheet as they were not asked on the application form;

- Does the organisation have a track record of delivering this or
- Similar services?  
Will this project duplicate other services provided in the borough?

#### 2.3.4 Scoring

In response to recommendations made by internal audit the following improvements were made to the scoring system: The scoring for essential criteria (marked E) was marked either yes or no (the partial column was blanked out) and the scoring for the desirable criteria (marked D) was marked as either yes, no or partial. These were scored as follows; Yes: 2, Partial: 1, No: 2. The positive scores (ie. Yes or Partial) were added up to give the total score. The negative scores (ie. No) were not included in the overall score.

#### 2.3.5 Grant assessment panels

Grant applications were assessed by a panel of officers during the period 14<sup>th</sup> February – 4<sup>th</sup> March 2011. Membership of each panel comprised two officers from the Community Development team and one officer from one of the following service areas: Children's Services, Adults and Housing, Sports Development, Arts, Place Shaping, Economic Development, Policy and Partnerships, Corporate Finance etc. Applications were grouped according to the funding priority the application related to and panels were convened around these themes.

#### 2.3.6 Summary reports

As in previous years a summary report for each application was prepared however this year the report only contained information provided by applicants ie. information was transferred directly from the application form in to the summary report. As this information was not edited by officers the summary reports were not sent to applicants for their comments prior to the final report being presented to Cabinet as had been done in previous years.

#### 2.3.7 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 avoid information being misrepresented or omitted.
- The setting up of cross-Directorate, 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 were not considered to be material changes to the process.

2.3.8 Following the assessment of applications the following options were presented to GAP for their consideration to assist them in making grant recommendations to Cabinet within the available budget:

#### **Option 1**

Approval of grant recommendations for those applications achieving a score of 95% or above with awards for these projects at 85% of the grant requested. This allowed 31 applications to be funded and was 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 (taking in to account the amount of the budget that needed to be set aside to fund grant extension payments, and proposed amounts to be set aside for grant appeals and funding for services to replace those provided by HAVS). It was recommended that applications scoring below 95% be placed on a reserve list and awarded funds if they became available. *This was the officers' recommended option.*

#### **Option 2**

Approval of grant recommendations for applications above a different threshold and at a different percentage of the total requested (ranging from 100% to 60%). The scenario for potential awards was indicated in appendix 3 which was provided to GAP for their consideration. The maximum number of applications that could be funded was 40 (scoring 90% or above) at 60% of the award requested (totalling £520,647). However, if no funds were set aside for appeals or to fund support services previously provided by HAVS, then 45 applications could be funded but at only 60% of funding applied for.

#### 2.3.9 Grant appeals

In 2010/11 there was a significant issue with the number of appeals received and the available funds for any successful appeals. There were also issues with the process of determining these appeals:

In July 2010 GAP considered the appeals arising from the 2010/2011 grants programme. Of the eight appeals received by the deadline, officers recommended that two of the eight appeals should be upheld as they conformed to the criteria applied to appeals. However, GAP members recommended that six of the eight appeals should be upheld, but made no recommendations as to the amounts to be awarded. The

maximum cost of upholding these appeals and making the awards in full would have been £146,700.

2.3.10 Due to the discrepancy in officer and GAP recommendations the Portfolio Holder was unable to make a final decision on the grant appeals and requested further information. In December 2010 the Leader of the Council provided approval for the appointment of an independent adviser to review the appeals. At around the same time internal audit had also commenced a review of the grants process and provided their view on outstanding appeals. A further report presented to the Leader in January 2011 set out the findings of the independent adviser as well as the findings of internal audit and made recommendations for the resolution of the outstanding appeals.

2.3.11 In light of the difficult and protracted process for resolving appeals in 2010/11 the report to GAP recommended that 5% of the available budget be set aside to consider appeals. GAP however made some further recommendations about the process for appeals and the final resolution adopted by Cabinet at its meeting of the 7<sup>th</sup> April 2011 was:

- (1) Grant recommendations for 2011/12 Main Grants Programme based on the assessment of applications described in the officer 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 3<sup>rd</sup> May 2011.
  - (c) any variation to the percentage score range and percentage grant allocation necessitated by decisions on appeals.
- (2) authority to consider and determine appeals delegated to the Divisional Director of Community and Culture, in consultation with the Portfolio Holder for Community and Culture including the appointment of an independent Advisor to advise the Director and Portfolio Holder on those appeals; and the delegation of authority to the Divisional Director of Community and Culture, in consultation with the Portfolio Holder for Community and Culture to vary both the percentage of the grant awarded and the scoring range within which grants are allocated, in the light of decisions on appeals.
- (3) £20,781 be 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 Services (HAVS).
- (4) applications with a score below the threshold agreed for funding are placed on a reserve list.
- (5) authority be delegated to the Corporate Director Community and Environment in conjunction with the Portfolio Holder for Community and Culture to (i) withdraw grants 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).

## **2.4 Why a change is needed**

2.4.1 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 for 2012/13.

## **2.5 Implications of the Recommendation**

### **2.5.1 Equalities impact**

Was an Equality Impact Assessment carried out? Yes

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. In addition further quality assurance checks have been built in to the process to ensure transparent and consistent decision-making. The Equalities impact assessment will be reviewed in the light of the appeals outcome and final decisions for 2011/12

### **2.6 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.

## **2.7 Financial Implications**

2.7.1 The total budget available for grants in 2011/12 was £669,360. Of this approximately £62,649 has been 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 were made is £606,711.

2.7.2 It was also recommended that £20,781 was set aside to fund the interim delivery and long-term development of support services for the voluntary sector to replace those previously provided by HAVS.

2.7.4 The total value of the recommendations set out in Option 1 above were £545,449 which could be managed within the budget available and there were no other impacts on the budget.

## 2.8 Performance Issues

2.8.1 The Council has arrangements in place to ensure that organisations in receipt of a grant deliver the stated outcomes/outputs. The Council monitors performance through an annual monitoring process that also aims to ensure that ongoing governance and management arrangements are in place. The Place Survey did provide a suite of perception measures that are no longer available. We are developing alternative measures and means to provide a proxy indicator to monitor future progress and development.

## 2.9 Environmental Impact

2.9.1 Some of the organisations that applied for grant funding support the maintenance of biodiversity and improvements to the quality of open space.

## 2.10 Risk Management Implications

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

The internal audit report highlighted a number of risks within the grant application process. Some of the recommendations made in the report have been addressed during the process for 2011/12. Some of the other recommendations will be built in to the process for 2012/13.

## 2.11 Corporate Priorities

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' and 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

Each applicant is required to indicate on the application form which corporate priority their proposed project relates to, of the 131 applications received the breakdown is as follows:

<b>Corporate priority</b>	<b>Number of applications</b>
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 out town centre, our local shopping centres and our business	9



### Section 3 - Statutory Officer Clearance

**[Note: It is the author's responsibility to decide whether legal and/or financial clearances are necessary. If not, the report can be submitted without these consents].**

Name:..... <input type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: .....	
Name: ..... <input type="checkbox"/>	on behalf of the* Monitoring Officer
Date: .....	

\* Delete the words "on behalf of the" if the report is cleared directly by Myfanwy or Hugh.

### Section 4 - Contact Details and Background Papers

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

**Background Papers:** List **only non-exempt** documents (ie not Private and Confidential/Part II documents) relied on to a material extent in preparing the report (eg previous reports). Where possible also include a web link to the documents.