

REPORT FOR: CABINET (Special)

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| Date of Meeting: | 17 May 2011 |
| Subject: | Allocation of grant funding 2011/12: response to referral from scrutiny call- in |
| Key Decision: | Yes |
| Responsible Officer: | Brendon Hills, Corporate Director Community and Environment |
| Portfolio Holder: | Councillor David Perry, Portfolio Holder for Community and Cultural Services |
| Exempt: | No |
| Decision subject to Call-in: | No |
| Enclosures: | Appendix 1: Call-in sub-committee agenda and reports, 4 th May 2011 (which includes the 7 th April 2011 Grants report to Cabinet). Appendix 2 and 2a: Analyses of applications by protected equality characteristics served Appendix 3: Equalities Impact Assessment 2011/12 |

Section 1 – Summary and Recommendations

This report sets out further information relating to the allocation of grant funding to the voluntary and community sector for 2011/12 as requested through the scrutiny call-in process.

Recommendations:

Cabinet is requested to note the outcome of the Call-In Sub Committee of 4th May 2011 and to affirm the decision made at its meeting on the 7th April 2011 to award grants to voluntary and community sector organisations as described in the Grant Funding 2011/12 report and the Cabinet minutes, (included in Appendix 1) subject to further information on the equality duties when setting percentage award thresholds as described within this Cabinet report

Reason: (For recommendation)

To award funding from the Main Grants Programme to voluntary and community sector (VCS) organisations to support them in delivering their projects and services in 2011/12. A further equality impact assessment takes account of the referral from Call-in Sub Committee 4th May 2011.

Section 2 – Report

2.1 Background of decision

2.1.1 On the 7th April 2011 Cabinet approved the following recommendation:

1. Grant recommendations for the 2011/12 main grants programme based on the assessment of applications described in the report 'Grant funding 2011/12', 7th April 2011 attached as appendix 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 27th May 2011.
 - (c) any variation to the percentage score range and percentage grant allocation necessitated by decisions on appeals as set out in recommendation 2 below;
2. Authority to consider and determine appeals and vary both the percentage grant awarded and the scoring range within which grants are allocated in light of the decision on appeals, be delegated to the Divisional Director Community and Culture in conjunction with the Portfolio Holder for Community and Culture including the appointment of an independent adviser to advise 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 Service (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 grant offers where organisations do not comply with the conditions of grant funding as in Recommendation 1 above
 - (ii) award available funds to organisations on the reserve list in order of highest scores achieved and, where scores are tied that funding is only distributed when available.

2.1.2 On 4th May 2011 The Call-in Sub Committee in relation to the Cabinet decision of 7th April 2011 resolved:

In relation to consultation – ground (a) – the Sub-Committee were concerned that groups were not given the opportunity to ask public questions or make deputations at the Grants Advisory Panel or to ask questions at Cabinet due to the late circulation of papers and, whilst the Sub-Committee did not feel that there had been inadequate consultation, Cabinet be requested to give sufficient time in the process for this in the future;

The call-ins on ground (b) – the absence of adequate evidence on which to base a decision – not be upheld due to insufficient grounds;

It be noted that ground (c) – the decision was contrary to the policy framework, or contrary to, or not wholly in accordance with the budget framework – was not cited as a ground for call-in the notices received;

The call-ins on ground (d) – the action was not proportionate to the desired outcome – not be upheld due to insufficient grounds;

The Sub-Committee uphold the call-in submitted by HAD, Harrow Mencap and Flash Musicals on ground (f) – insufficient consideration of legal and financial advice – and therefore refer the decision back to Cabinet on the grounds that there was no evidence that due regard had been given to the Council's equality duties when setting the percentage thresholds.

2.1.3 This cabinet report is put before Members as a result of the Call-in Sub Committee's resolution. Cabinet should have particular regard to the Legal, Financial and Equalities and Options sections of this report in order to satisfy itself that concerns raised by the Call-in have been addressed

2.2 Introductory paragraph

2.2.1. In 2008 the Overview and Scrutiny committee produced a report titled 'Delivering a strengthened voluntary sector' which included recommendations for the future of the main grants programme to

address the issue of transparency in the allocation of funding through this programme and to re-establish confidence within the VCS. In consultation with the VCS a review of the programme was undertaken that resulted in a new process being put in place for the 2010/11 grants programme.

- 2.2.2 Prior to the publication of the Overview and Scrutiny committee's report the grants programme attracted only 60-70 regular applications each year, representing only a tiny fraction of the total number of voluntary and community sector organisations in the borough (estimated to be between 1,000 to 1,500 organisations). The amount of grants budget available in previous years has been in the region of £770,000.
- 2.2.3 A strong feature of the Overview and Scrutiny committee's report was the need for wider dissemination of information to reach a broader audience. A publicity campaign was undertaken in the run-up to the 2010/11 grants programme that resulted in double the number of applications in previous years (119 applications received).
- 2.2.4 A second feature of the report was the need for a more transparent process. The report recommended the rationalising of the grant-giving process – 'to clearly define processes, appeals mechanisms and adherence to these in order to improve consistency and transparency'. For 2010/11 a scoring system was approved by Cabinet in September 2009 which allows application assessments for this competitive process to be made in a transparent and objective manner. The results of the assessments and the increased number of applications resulted in some organisations (that had applied in previous years and received funding) potentially receiving reduced or nil funding in 2010/11. To allow these organisations time to adapt to the new assessment process the Cabinet awarded 'one-off' top-up grant payments in 2010/11 to aid the transition to the new process. The assessment process was further refined for 2011/12 as a result of feedback from the VCS, Members and internal audit (see Grants Advisory Panel report 2nd March 2011).
- 2.2.5 The increased awareness of the grants programme coupled with reduced funding from other sources, such as the PCT, has resulted in a further increase in applications this year with 131 applications requesting over £2.3 million. This increase in demand comes at a time when the budget, like all other Council budgets has been reduced. To manage this level of demand against the resource available rigorous assessment processes were put in place with quality assurance procedures to check for accuracy and transparency to inform decision-making.
- 2.2.6 Officers have consulted on how to further revise the grants programme for 2012/13 and, subsequent to the results of that consultation, are beginning work on proposals for a revised grants offer for next year to include a Commissioning and Small Grants model.

2.3 Options considered

- 2.3.1 The Cabinet report (Appendix 1) set out the options considered and options for grant allocation for 2011/12. Following consideration of these options by the Grants Advisory Panel at their meeting on the 30th March 2011, it was further recommended that final grant awards are made subject to the conclusion of the appeals process. Cabinet should note the conclusions of the recent Internal Audit report where concerns were raised that it was not obvious that the aims of the organisation can still be achieved if a lower level of funding is awarded when grant agreements/service level agreements are drawn up and outcomes agreed.
- 2.3.3 As a result of the call-in by Overview and Scrutiny, Cabinet are asked to approve the decision as contained in Appendix 1 and above subject to having due regard to the further equalities duties in light of further equalities information supplied in this report in paragraphs 2.2.5 and 2.7 below. In addition, Cabinet are asked to note the impact that late submission of reports has on the ability of the public to ask questions regarding that issue and to require timely publication of Cabinet reports in future.
- 2.3.4 Cabinet should be mindful that any further time delays would cause severe financial pressures on organisations who are likely to be funded this year which would result in some organisations (who would otherwise be supported shortly) having to make immediate preparations for ceasing activities, making staff redundant etc. and therefore make any grant funding ineffective. One organisation has formally given notice to the Council of its intention to do so next week with a closure date in July if the matter is not resolved shortly.

2.4 Legal Implications

2.4.1 The equalities duties are continuing duties they are not duties to secure a particular outcome however the duties apply through out the process from start to finish. Consideration of the duties should proceed the decision. It is important that Cabinet has regard not only to the Equalities Impact Assessment but also to the statutory grounds in the light of all available material such as correspondence from groups regarding the call in, press reports the application forms and the way that they were scored, for example. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;*
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;*
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.*

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) Tackle prejudice, and*
- (b) Promote understanding.*

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

The relevant protected characteristics are:

- *Age*
- *Disability*
- *Gender reassignment*
- *Pregnancy and maternity*
- *Race,*
- *Religion or belief*
- *Sex*
- *Sexual orientation*

Before a decision is made Cabinet must satisfy its self that it has sufficient information before it to properly consider the equalities duties

2.4.2 Organisations will be notified of the outcome of their application following Cabinet decision. This communication will include information on the process for making appeals which can be made on the grounds that 'information presented to the Grants Advisory Panel

was incorrect or information was omitted and this had a material effect on the decision' without presenting new information. This criterion allows for applicants to appeal on the basis that the benefit its project confers on a protected group has not been correctly scored.

2.5 Financial Implications

The financial implications regarding this decision are set out in Appendix 1.

2.6 Performance Issues

The performance issues regarding this decision set out in Appendix 1.

2.7 Environmental Impact

The environmental impact considerations regarding this decision are set out in Appendix 1.

2.8 Risk Management Implications

The risk management implications regarding this decision are set out in Appendix 1.

2.9 Equalities implications

- 2.9.1 Amendments to the grants application process were made following recommendations from Overview and Scrutiny (December, 2008). These were informed by consultation with the voluntary and community sector that was conducted in 2009. The proposed changes were assessed for their impact on equalities and this concluded that there was no differential impact on equality groups protected under the equality legislation at the time.
- 2.9.2 The grant application process was assessed in March 2010 through the EQIA procedure. The purpose of the assessment was to determine whether or not the process has 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 and 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 ensure transparent and consistent decision-making.
- 2.9.3 An equality impact assessment on the option to award grant funding according to the assessment score achieved identifies that irrespective of where the threshold is placed the profile of potential beneficiaries across the protected equality groups remains the same. Appendix 2 provides analyses of the responses to Questions 3 and 5 on the current grant application forms 2011/12 that asks applicants to indicate which of the protected equality groups will be served by the project. The analysis in Appendix 2a is based solely on responses to question 5 and does not take in to account any other information provided on the application form. It is based on the applicants' own classification of potential project beneficiaries. The analysis in 2b is based on

responses to questions 3c and 3d with a judgement on primary, secondary and tertiary groups.

2.9.4 The analysis concludes that the use of a scoring threshold to determine grant awards does not have a differential impact on any of the protected equality groups. Therefore, given the total amount of grants monies to be awarded, the decision to award grants to those applications at the score of 95% or above allows for the maximum percentage of funding to be awarded (currently 80% subject to the outcome of appeals) to allow successful applicants the maximum opportunity to deliver on stated outcomes.

2.9.5 A further equality impact assessment will be undertaken when the appeals process has been concluded and before decisions are made to ensure due regard to equalities duties has been fully and finally considered.

2.10 Corporate Priorities

The contribution to corporate priorities regarding this decision is set out in Appendix 1.

Section 3 - Statutory Officer Clearance

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| Name Julie Alderson | <input checked="" type="checkbox"/> | Chief Financial Officer |
| Date: 16 May 2011 | | |
| Name: Jessica Farmer | <input checked="" type="checkbox"/> | on behalf of the Monitoring Officer |
| Date: 16 May 2011. | | |

Section 4 – Performance Officer Clearance

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|----------------------|-------------------------------------|---|
| Name: Wayne Longshaw | <input checked="" type="checkbox"/> | on behalf of the Divisional Director Partnership, Development and Performance |
| Date: 10 May 2011. | | |

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards



Divisional Director
(Environmental
Services)

Date: 10 May 2011.

Section 6 - Contact Details and Background Papers

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

Background Papers:

(1) Overview and Scrutiny report, Delivering a strengthened voluntary sector, December 2008

<http://www.harrow.gov.uk/www2/documents/g4050/Public%20reports%20pack,%20Thursday%2018-Dec-2008%2019.30,%20Cabinet.pdf?T=10>

(2) Grants Advisory Panel report, 2nd March 2011

<http://www.harrow.gov.uk/www2/documents/g60292/Public%20reports%20pack,%20Wednesday%2002-Mar-2011%2019.30,%20Grants%20Advisory%20Panel.pdf?T=10>

(3) Call-in sub-committee agenda and reports, 4th May 2011

<http://www.harrow.gov.uk/www2/ieListDocuments.aspx?CId=281&MId=60876>

PART 2: Background information: Applications forms and assessment scores

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-In does not apply]