

**REPORT FOR: GRANTS ADVISORY  
PANEL**

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<b>Date of Meeting:</b>	13 June 2011
<b>Subject:</b>	Consultation on draft proposals to contribute to the development of a Third Sector Investment Plan
<b>Key Decision:</b>	No
<b>Responsible Officer:</b>	Marianne Locke, Divisional Director Community and Environment
<b>Portfolio Holder:</b>	Councillor David Perry Portfolio Holder Community and Culture
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	No
<b>Enclosures:</b>	None

## **Section 1 – Summary and Recommendations**

This report sets out draft proposals to contribute to the development of a Third Sector Investment Plan to replace the current Main Grants Programme. The aim is to provide a strategic framework for the future delivery of Council support to the Third Sector from 2012/13 onwards.

**Recommendations:**

The Grants Advisory Panel (GAP) is requested to:

1. Provide feedback to the Portfolio Holder on proposals contained in this report.
2. Consider the future role of GAP in light of these proposals.
3. Provide any views they may have on the potential impact of these proposals on the protected equality groups (described in paragraph 2.6.2).

**Reason: (For recommendation)**

The development of a strategic approach to the allocation of Council resources to support the Third Sector.

## **Section 2 – Report**

### **2.1 Introduction**

- 2.1.1. The Council is committed to supporting the Third Sector to deliver services for the benefit of Harrow's community through its Third Sector Strategy and the Compact. The allocation of this support has to be managed within the constraints of the current financial pressures facing the Council. This report sets out draft proposals to replace the current Main Grants Programme, in order to provide a strategic framework for the future delivery of Council support to the Third Sector from 2012/13 onwards.
- 2.1.2. The proposals address areas of support including commissioning, Small Projects Programme, Edward Harvist Trust funding and support with accommodation. The proposals seek to ensure that this support makes the best use of available resources in a fair and transparent manner to deliver Council priorities; and assists in the development of an independent and sustainable Third Sector to deliver outcomes for Harrow's community.
- 2.1.3. The Council wishes to ensure that Third Sector organisations are able to access funds and premises from a range of agencies other than the Council. The aim is to move organisations away from a culture of dependency on the Council and assist the Third Sector to look at other ways it can become sustainable.

### **2.2 Options considered**

- 2.2.1 The options presented in this report are based on the results of consultation undertaken with the Third Sector during December 2010

and January 2011, and presented to the Grants Advisory Panel (GAP) on the 2<sup>nd</sup> March 2011. The options are also based on the results of consultation with Council directorates.

## 2.3 Draft proposals

The Grants Advisory Panel (GAP) is requested to consider and make recommendations to the Portfolio Holder on the following proposals:

### 2.3.3 Draft Key Principles

It is proposed that future support to the Third Sector would be underpinned by a set of key principles:

- Resources will be allocated to organisations that operate on a not-for-profit basis only.
- Resources will be allocated where they are used for the benefit of people living, working or schooling in Harrow.
- Resources will be allocated where they help the Council deliver its priorities.
- The allocation of resources will be matched to the delivery of specified outcomes.
- Resources will be allocated where they achieve good value for money and deliver measurable added value.
- Resources will be allocated where they provide benefit to the protected equality groups under the Equalities Act 2010 and further the public sector duty on equalities.

It is proposed that these key principles underpin the delivery of commissioning, Small Project funding, Edward Harvist Trust grants and premises support.

### 2.3.4 Definitions

(i) Good value for money to be assessed by consideration of reasonable unit costs to deliver stated outputs and outcomes.

(ii) Added value to be measured by a combination of the following factors:

- The number and quality of volunteering roles that help deliver the service or project (this will be assessed by the organisation's overall approach to volunteer involvement evidenced by policies, procedures and actual numbers and roles available).
- Level and extent of collaboration with other agencies, including other VCS organisations to deliver the service.
- The value of additional funding (including premises support) secured to support the delivery and sustainability of a project or service.

Further definitions on terms used in the application or commissioning process will be provided to assist Third Sector organisations.

### 2.3.5 Commissioning

It is proposed that a formal tendering process for the commissioning of some services from the Third Sector is introduced. This would commission services against detailed service specifications and be managed through contracts funded on a three-year basis.

Some of the grants budget would be allocated to commissioning but the proportion is yet to be determined. This could remove some services from the annual, competitive grant-giving process and resource them through a more appropriate funding arrangement that supports the delivery of specific outcomes and Council priorities.

### 2.3.6 Draft commissioning principles

Based on the results of consultation with the Third Sector and internal stakeholders, the following draft priorities are proposed:

- Services that support the delivery of the Council's statutory functions
- Services that tackle disadvantage based on evidence of need
- Services that support the needs of protected equality groups under the Equalities Act 2010 and contribute to the aims of the public sector equalities duty.
- Prevention services that promote health and well-being
- Advocacy, information / advice and sign-posting services
- Culturally specific services that address the needs of communities
- Infrastructure support services for the Third Sector

### 2.3.7 Proposed draft timetable for commissioning of services 2012/13

<b>Activity</b>	<b>Date</b>
Development of services specifications	August - September 2011
Training for Third Sector organisations	Early September
Notification of commissioning opportunities / PQQ <sup>1</sup> applications open	1 <sup>st</sup> October 2011
PQQ deadline	31 <sup>st</sup> October 2011
Evaluation of PQQs	November 2011
Invitations to tender	December 2011 – January 2012
Evaluations of responses to invitation to tender	February 2012
Applicants notified of outcomes	March 2012
Contracts signed	April 2012

### 2.3.8 Options for the delivery of a Small Projects programme and Edward Harvist Trust grants

It is proposed that the Small Projects Programme would be managed through a process similar to that currently used for the main grants programme. It is proposed that this offers small grants of up to £5,000

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<sup>1</sup> Pre-Qualification Questionnaire

per annum and targets smaller organisations with an annual income of up to £50,000.

It is proposed that the Small Projects Programme and the application process for Edward Harvist Trust grants runs annually.

It is proposed that a revised application form and guidance notes would be used for both the Small Projects programme and Edward Harvist Trust grant applications.

### 2.3.9 Proposed application process

Proposed improvements to the application process will aim to deliver a simplified process, improved guidance, support sessions and timely notifications. This could include the introduction of an electronic only application process; information sessions for applicants with guidance on how to make funding applications and support with accessing the electronic form. A draft timetable for 2012/13 will be developed in consultation with the Third Sector, Members and Officers.

### 2.3.10 Assessment process

A scoring sheet will be used as in previous years, however this will be further developed in light of lessons learnt this year. A panel of assessors that could include a mix of Council officers and Third Sector representatives will undertake the assessment process. Further proposals on this will be developed and brought to GAP for consideration.

Appropriate training for panel members will be provided ahead of the panels convening. A meeting of panel Chairs will take place both at the beginning and at intervals during the assessment process. A mediation meeting and random sample testing will take place at the end of the process. Quality assurance checks will be carried out throughout the process.

### 2.3.11 Appeals process

The results of the consultation indicated mixed views on retaining the appeals process. Most other funders do not have an appeals process.

### 2.3.12 Premises support

The results of the recent consultation indicated strong support across the Third Sector that organisations should:

- Contribute to the cost of provision
- That 'larger' organisations should support smaller ones with access to premises
- That there should be alternative provision possibly run by organisations themselves, such as a resource centre, or drop-in venue
- That organisations should be able to book venues directly with schools rather than the Council operating as an intermediary

There was also support for the provision of a directory of venues for hire and concessionary rates on certain Council venues.

Based on the results of this consultation the Council proposes working with Third Sector organisations to develop Third Sector hubs that offer opportunities for shared costs, community management and flexible use. A number of hub locations could be identified that could offer a range of facilities for the community and Third Sector organisations that include;

- Office space
- Hot desking space
- Shared meeting / training space
- Shared activity space
- Postage / internet / IT facilities

### 2.3.13 Draft timetable for the development of Third Sector Hubs

<b>Activity</b>	<b>Date</b>
Mapping of available premises, including opportunities for shared office space	By September 2011
Identification of location of Third Sector Hubs	October 2011
Premises 'matching' workshop with Third Sector organisations	October 2011
Development of Third Sector hubs	October - December 2011
Third Sector hubs open	March 2012

### 2.3.14 Monitoring

The process for monitoring services will be enhanced to ensure that specific outcomes are delivered. The overall aim is to streamline the process from beginning to end for the mutual benefit of organisations and funders.

In 2010 the Community and Environment and Adults and Housing directorates introduced a process of joint monitoring for organisations receiving above £10,000 of funding from one or more directorates. This process will be further developed for 2012/13 based on the lessons learnt from last year.

Some of the potential improvements being considered include;

- A simplified monitoring form that is pre-populated with information provided by the applicant.
- Standardisation of SLAs across the Council.
- Identification of monitoring officers and training prior to monitoring visits
- Development of library of essential documents

The development of a library of essential documents has been started. The aim is that the Council holds one set of documents for each organisation funded or supported by it (irrespective of which directorate

is providing the support). The expectation is that policy documents, except for Health and Safety, will be updated every three years (Health and Safety policies should be updated every year). Organisations would be responsible for ensuring that their policy documents are updated in line with any changes in legislation, Codes of Practice, regulations etc. and updated documents should be sent to the Council. Specialist officers from across the Council will provide support to monitoring officers to quality check documents received from Third Sector organisations.

#### 2.3.15 Future role of GAP

If Cabinet approves these proposals, this offers Members an opportunity to consider the future role of GAP and make recommendations to the Portfolio Holder on this.

## **2.4 Background**

2.4.1 The report of Overview and Scrutiny 'Delivering a strengthened voluntary sector' (December 2008) made a number of recommendations on how statutory agencies, including the Council could support the Third Sector. The report recognised that "grant making is only one small part of the relationship and that the emphasis that has been placed on this element in the past is misplaced".

2.4.2 The aim is to develop a draft Third Sector Investment Plan that builds on these recommendations, the Council's Third Sector Strategy and feedback from the Third Sector through various consultations that have taken place since its publication.

## **2.5 Current situation**

2.5.1 Since the publication of the Overview and Scrutiny report there have been a number of significant developments affecting the Council and the local Third Sector, including the approval of a Third Sector Strategy in May 2010. The most important development has been the reductions in levels of public sector funding and the increased pressure on Council budgets. The challenges facing the Council means that it must reconsider the way it provides supports to the Third Sector through its main grants programme and other areas.

2.5.2 Reductions in public sector funding present a challenge for all sectors. The impact of this for some Third Sector organisations has been significantly reduced levels of funding that have resulted in reductions in service and in some cases mergers with other organisations. These changes mean that requirements for support are changing.

## **2.6 Why a change is needed**

2.6.1 The draft proposals aim to address the challenges presented by the current financial environment against a continuing commitment to build a sustainable and independent Third Sector.

2.6.2 The proposals have been developed with input from internal and external stakeholders and aim to ensure that support is delivered in a way that makes best use of available resources allocates these resources in a fair and transparent manner and aligns their use with the delivery of Council's priorities.

## **2.7 Implications of the Recommendation**

### **2.7.1 Staffing/workforce**

The delivery of proposals contained in this report could have implications for changes to staff roles and responsibilities. This will be managed within the Council's policies and procedures including the Protocol for Managing Change.

### **2.7.2 Legal comments**

Decision makers should have due regard to the public sector equality duty. The equalities duties are continuing duties they are not duties to secure a particular outcome. Consideration of the duties should precede the decision. It is important that GAP has regard to the statutory grounds in the light of all available material such as consultation responses. 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*
- *Marriage and Civil partnership*

## **2.8 Financial Implications**

2.8.1 The grants budget in 2011/12 was £669,360. The proposals contained within this report are based on the assumption that the budget in 2012/13 will remain at the same level however, this level of funding is by no means guaranteed and whether it stays the same, is increased, or decreased, depends on the outcome of the budget and medium term financial planning process

2.8.2 The allocation of this budget between commissioning and the proposed Small Projects Programme is to be determined.

## **2.9 Risk Management Implications**

There are a number of risks associated with the provision of Council support to the Third Sector. The risks identified are;

- Capacity of the Third Sector to respond to commissioning: This risk will be mitigated by putting in place training and capacity building support to the Third Sector.
- The need to ensure adequate contract management and monitoring systems are in place: This risk will be mitigated by (1) working with the Council's Procurement team to ensure that contract management

issues are addressed and (2) the development of monitoring processes across all Council directorates.

- Continued over-subscription to the Small Projects Programme: This risk will be mitigated by the introduction of more specific eligibility criteria and increased provision of sign-posting and support to access other funding streams.
- Risk to Council funds where a Third Sector organisation is at risk of financial instability: This risk will be mitigated by undertaking financial checks on organisations prior to the payment of funds and in-year monitoring.

## **2.10 Equalities implications**

A draft equalities impact assessment has been started on these proposals. This is based on the results of consultations that have been ongoing as part of the Council's continuing duties under the Equality Act 2010. This includes;

- (a) Consultation undertaken during May 2009
- (b) Consultation undertaken in December 2010- January including focus group meetings with Community Premises user groups, community lettings user groups and schools.
- (c) Consultation feedback meetings to schools, Community Premises user groups, community lettings user groups
- (d) Workshop with internal stakeholders
- (e) Workshop with Third Sector stakeholders

The Third Sector was consulted on whether or not the proposed changes would have a differential impact on equality groups. The results were that 50% of the respondents to the consultation questionnaire felt the proposed changes would not impact differently on one or more of the following groups; age, disability, race, gender identity, religion or belief or sexual orientation.

The proposals may result in changes to the way Council support is delivered and a number of Third Sector organisations could be affected either by improvements to the support available or by reductions in support available.

The feedback from GAP will further contribute to the development of the impact assessment to assess the impact on equality groups.

## **2.11 Corporate Priorities**

This report incorporates the following corporate priorities:

- Keeping neighbourhoods clean, green and safe.
- United and involved communities: A Council that listens and leads.
- Supporting and protecting people who are most in need.

It is proposed that the future provision of Council support to the Third Sector be aligned to the delivery of these priorities.

### Section 3 - Statutory Officer Clearance

Name: Steve Tingle	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 10 June 2011		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 10 <sup>th</sup> June 2011		

### Section 4 - Contact Details and Background Papers

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

#### Background Papers:

Report to Grants Advisory Panel, 2<sup>nd</sup> 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>