

**REPORT FOR: GRANTS ADVISORY
PANEL**

Date of Meeting:	1 st March 2012
Subject:	Grant recommendations 2012/13
Key Decision:	Yes
Responsible Officer:	Paul Najsarek Corporate Director Community Health and Well-Being
Portfolio Holder:	Councillor David Perry Portfolio Holder for Community and Cultural Services
Exempt:	No, Except for Appendices 5 & 6
Decision subject to Call-in:	Yes
Enclosures:	Appendix 1: Funding scenarios Appendix 2a: Assessment scores for large grant applicants Appendix 2b: Assessment scores for small grant applicants Appendix 3: Summary of grant applications Appendix 4: Equalities Impact Assessment Appendix 4a: Analysis of applications 2012/13 by protected characteristics served Appendix 4b: Analysis of applications 2011/12 by protected characteristics served

Appendix 5: Grant applications (Part 2)
Appendix 6: Assessment score sheets (Part 2)
Appendix 7: Information sessions - attendee list
Appendix 8: Panel Observers feedback
Appendix 9: Summary of feedback on grant applications
Appendix 10: External Funding Guidance
Appendix 11: Alphabetical list of Organisations

Section 1 – Summary and Recommendations

This report sets out information regarding applications for grant funding to the Main Grants Programme for 2012/13.

Recommendations:

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

1. That £74,000 is ring-fenced from the Main Grants budget to fund the commissioning of an infrastructure support service for the Third Sector.
2. The grant applications to be awarded grant funding and the level at which these should be awarded as outlined in paragraph 2.2.4, subject to:
 - (a) receipt of satisfactory references and supporting documents by applicants by the 2nd April 2012.
 - (b) confirmation from applicants that the proposed project can be delivered within the amount of grant recommended by the 2nd April 2012.
 - (c) completion of the appeals procedure and any changes to the amounts awarded necessitated by decisions on appeals.
3. That applications with a score below the threshold agreed for grant funding are placed on a reserve list.
4. That authority is delegated to the Corporate Director Community Health and Well-Being in conjunction with the Portfolio Holder for Community and Cultural Services to:
 - (i) withdraw grant offers where organisations do not comply with the conditions of grant funding as detailed in Recommendation 2 above
 - (ii) award available funds to organisations on the reserve list in order of highest scores achieved if sufficient funds become

available (where scores are tied funding will only be distributed when sufficient funding is available to fund all projects with the same score).

5. That authority is delegated to the Divisional Director Community and Culture in conjunction with the Portfolio Holder for Community and Cultural Services with an Independent Adviser to consider and determine appeals and vary both the percentage grant awarded and the threshold above which grant awards are made in light of decisions taken on appeals.

Reason: (For recommendation)

To award funding from the Main Grants Programme to Third Sector organisations to support them in delivering their services in 2012/13.

Section 2 – Report

2.1 Introductory paragraph

2.1.1. The allocation of funding through the Main Grants Programme is determined by an open, competitive application process. This invites eligible Third Sector organisations to apply for funding to support a range of projects or activity delivered for the benefit of Harrow residents. The distribution of grant funding supports the delivery of the Council's corporate priorities and an analysis of grant applications shows that the following corporate priorities could be supported:

- 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

2.1.2 The grant application programme for 2012/13 opened on the 31st October 2011 and closed on the 28th November 2011. A total of 78 applications were received by the deadline date and the total funds requested amounts to over £1.5 million. This report sets out options and recommendations for the distribution of grant funding for 2012/13 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 2012/13 is £669,360. The options for allocation are as follows:

- 2.2.2 GAP is requested to consider ring-fencing £74,000 of the available budget to support the delivery of a new infrastructure support service for Third Sector organisations as described below:
- 2.2.3 In September 2011 Harrow Council commissioned the delivery of an interim CVS (Council for Voluntary Service) provided by a consortium of Ealing, Hillingdon, Hammersmith and Fulham CVS. The contract will run until the 31st March 2012 and at the end of this period it is the Council's intention to commission a new infrastructure service to support local Third Sector organisations. The CVS consortium is currently undertaking a consultation to determine infrastructure support needs and the results of the survey will inform the development of a specification for the commissioning of a new service. To ensure continued support to the Third Sector GAP is therefore requested to recommend to Cabinet that **£74,000** be ring-fenced from the available budget to fund this new service. This would leave **£595,360** available for allocation.
- 2.2.4 The options available for allocation of these funds is set out in Appendix 1, which shows the different funding scenarios available for consideration:

Small grants:

The total amount applied for by small grant applicants is £130,651. GAP discussed at its meeting on the 9th November 2011 the Portfolio Holder's recommendation that 15% of the budget be allocated to small grants to ensure a wide distribution of the funds. This would mean that **£89,304** is available for allocation to small grants.

Within the budget available the maximum number of applications that could be funded is 21 ie. Those with an assessment score above 50% awarded 90% of the grant amount requested. This would allocate £86,414 of the available budget. Applications scoring below 50% could be placed on a reserve list and awarded funds if they become available.

Large grants:

If £74,000 is ring-fenced for the development of an infrastructure service and 15% is allocated to small grants, the amount of budget available for allocation of large grants is **£506,056**.

Within the budget available the maximum number of applications that could be funded is 18 ie. Those with an assessment score above 86% awarded 71% of the grant amount requested. This would allocate £500,275 of the available budget.

- 2.2.5 In considering their recommendation GAP are reminded that awarding a significantly lower level of grant than that requested may mean that some projects can not be delivered or will be delivered at significantly different levels.

2.2.6 GAP are also reminded that any recommendations made to Cabinet are subject to the appeals process and therefore the level of grant awarded to successful organisations may change.

2.2.7 If no funds are set aside for the development of a new infrastructure service, then an additional number of applications could be funded. The lack of an infrastructure support service however could have a detrimental effect on the Third Sector particularly at a time when it needs support with fundraising, capacity building, volunteer recruitment etc. The quality of grant applications received from some applicants highlights the need to offer continued support to organisations (see Appendix 9). A new service would also help address some of the equalities concerns identified in section 2.12 of this report. The actual cost of a new CVS (Council for Voluntary Service) will be determined once the service specification has been developed. The amount of £74,000 is based on the current costs per annum of the interim service. This level of funding is below the level previously provided for HAVS. This amount also reflects the fact that there would be lower costs in the first year of operation. The longer-term costs for the service will be determined once the service specification has been developed.

2.2.8 GAP is therefore requested to recommend to Cabinet;

1. That £74,000 is ring-fenced from the Main Grants budget to fund the commissioning of an infrastructure support service for the Third Sector.
2. The grant applications to be awarded grant funding and the level at which these should be awarded subject to:
 - (a) receipt of satisfactory references and supporting documents by applicants by the 2nd April 2012.
 - (b) confirmation from applicants that the proposed project can be delivered within the amount of grant recommended by the 2nd April 2012.
 - (c) completion of the appeals procedure and any changes to the amounts awarded necessitated by decisions on appeals.
3. That applications with a score below the threshold agreed for grant recommendations are placed on a reserve list.
4. That authority is delegated to the Corporate Director Community Health and Well-Being in conjunction with the Portfolio Holder for Community and Cultural Services to:
 - (i) withdraw grant offers where organisations do not comply with the conditions of grant funding as detailed in Recommendation 2 above.
 - (ii) award available funds to organisations on the reserve list in order of highest scores achieved if sufficient funds become available (where scores are tied funding will only be distributed when sufficient funding is available to fund all projects with the same score).
5. That authority is delegated to the Divisional Director Community and Culture in conjunction with the Portfolio Holder for Community and Cultural Services with an Independent Adviser to consider and determine appeals and vary both the percentage grant awarded and the threshold above which grant awards are made in light of decisions taken on appeals.

2.3 Background

- 2.3.1 This year's grant application process has been largely managed in the same way as in previous years. There were some revisions made to the grant application process during the year which were approved by GAP at their meeting on the 13th September 2011.
- 2.3.2 This year only two size of grants were offered. 78 applications were received and of these 48 were for large grants ie. £5,001 and above and 30 were for small grants ie. less than £5,000. This compares with the breakdown of applications last year which were;
- 48 – large grant applications (£10,001-£100,000)
 - 57 – medium grant applications (£2,001-£10,000)
 - 25 – small grant applications (£0 - £2,000)
- 2.3.3 Support for grant applicants was provided during the application period including two information sessions which were attended by 56 potential grant applicants (45 organisations were represented at these sessions and these are listed in Appendix 7) In addition, one to one assistance with completing the application form was provided by the Funding Officer at CaVSA (Community & Voluntary Sector Association) Hammersmith & Fulham CVS.
- 2.3.4 The first stage assessment checked that the application 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 was made for capital costs in addition to revenue costs these will be deducted from the final grant award).
- 2.3.5 A few issues were identified at this stage including for example some applications that did not indicate whether or not required policy documents were in place. These issues have been identified in Appendix 6 Assessment Score Sheets, listed as Chair's Comments. These applications were assessed despite the queries and if a grant is awarded Officers will seek confirmation that the required documents are in place before funding is released.
- 2.3.6 Small grant applications were assessed separately to the large grant applications and panel members were directed to apply a proportionate approach to assessing small and large grant applications. This meant that small grant applicants were not expected to have provided as comprehensive responses as those applying for large grants.
- 2.3.7 Only one application was assessed as ineligible at the first stage assessment. This application was from the Herga Opportunity Pre-School Playgroup. The application was deemed ineligible as the application was for capital costs only. **77** applications have therefore

met the first stage assessment and are listed in Appendix 2a and 2b in order of scores achieved.

- 2.3.8 Members of the voluntary sector were invited to observe the assessment panel process. Seven panels were observed by three observers. A summary of the panel observers comments are provided in Appendix 8. Overall the observers rated the process as good, very good or excellent in terms of fairness.
- 2.3.9 The general quality of grant applications made for 2012-13 appears to have improved from previous years. A summary of the areas where grant applications achieved low scores is provided in Appendix 9. This summary identifies that there may be areas where training input is required to assist organisations to understand the questions asked in the grant application form and provide appropriate responses.
- 2.3.10 Grant applicants unsuccessful in securing funding through the Main Grants Programme are encouraged to look for funding from other sources. Guidance on external funding available to organisations is provided at Appendix 10.

2.8 Why a change is needed

- 2.8.1. Following consultation with the Third Sector during 2011 and approval of the Third Sector Investment Plan by Cabinet in October 2011, this will be the last year that the Main Grants Programme will be delivered in its current format.
- 2.8.2 During 2012/13 Harrow Council will begin the process of commissioning some services from within the grants budget. The process of consultation for identifying which services will be commissioned has commenced and a further report on this will be provided to GAP later this year.
- 2.8.3 In 2013/14 Harrow Council will operate a small grants process inviting applications for small grants up to £5,000.

2.9 Implications of the Recommendation

2.9.1 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.

2.10 Financial Implications

- 2.10.1 The total budget available for grants in 2011/12 is £669,360. Of this GAP are requested to recommend that £74,000 is set aside to fund the commissioning of a new infrastructure support service. The total

budget therefore available within which grant recommendations for 2011/12 will be made is £595,360.

2.10.2 If further grants are recommended following completion of the appeals process the amount awarded will be adjusted to ensure that grant recommendations are managed appropriately.

2.11 Risk Management Implications

2.11.1 The main risks associated with the provision of grant funding to Third Sector organisations is that funding is not used as stated by the applicant in their grant application. This risk is mitigated in the following ways;

- (i) The management of grant funding through a standard funding agreement that sets out the Council's expectations regarding financial and management controls that the organisation should have in place to manage the funds and the service specification detailing the expected outcomes for the proposed service.
- (ii) Annual monitoring process: The grant recipient is expected to participate in a process of annual monitoring which should assist the Council in identifying any issues regarding the use of Council grant funding.

2.12 Equalities implications

2.12.1 The equality impact assessment (Appendix 4) undertaken for the grant application process for 2012-13 indicates that the process itself does not have any adverse impact on the protected characteristics. Although some comments identified a potential impact for those for whom English is a second language or those with a learning difficulty, measures are in place to support applicants including, information sessions, one to one support, guidance notes etc. The feedback received during consultation also indicated some concern that the process may impact differentially on small groups, however measures have been included in this year's process to assist the distribution of funding to small groups including; the separate assessment of small grant applications and the ring-fencing of 15% of the budget for allocation to small groups. The development of a new CVS service as outlined in paragraph 2.2.7 would offer continued fundraising support to all organisations, including small groups.

2.12.2 An analysis of grant applications received for 2012/13 by protected characteristic served is attached at Appendix 4a and an analysis of grant applications received for 2011/12 by protected characteristics served is attached at Appendix 4b. This analysis shows that none of the applications received for 2012/13 were targeting the gender reassignment, pregnancy and maternity and sexual orientation characteristics in 2012/13. In 2011/12 there were no applications received that targeted the gender reassignment, pregnancy and

maternity and marriage and civil partnership characteristics. There could be a number of reasons for the lack of applications targeting these protected characteristics including; no Third Sector organisations currently providing a targeted service for these groups; these groups are not aware of the grants programme; or these groups have chosen not to apply for grant funding. In addition, there are a number of organisations who have not stated which specific protected groups they intend to deliver to and therefore no absolute analysis can be undertaken.

2.13 Corporate Priorities

2.13.1 The distribution of grant funding to the Third Sector supports the delivery of the Council's corporate priorities. Each applicant is required to indicate which corporate priority is addressed by the proposed project. The following table indicates the corporate priorities that would be supported by all grant applicants:

Corporate priority	Number of applications
Keeping neighbourhoods clean, green and safe	4
Supporting and protecting people who are most in need	51
United and involved communities: a Council that listens and leads	23
Supporting our town centre, our local shopping centres and businesses	0

Section 3 - Statutory Officer Clearance

Name: Roger Hampson	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 16 February 2012		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 16 February 2012		

Section 4 - Contact Details and Background Papers

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

Background Papers:

Cabinet report: Third Sector Investment Plan, 18th October 2011

<http://www.harrow.gov.uk/www2/documents/g60641/Public%20reports%20pack,%20Tuesday%2018-Oct-2011%2019.30,%20Cabinet.pdf?T=10>

GAP report: Grant application form and assessment sheet update 2012/13, 13th September 2011

<http://www.harrow.gov.uk/www2/documents/g60679/Public%20reports%20pack,%20Tuesday%2013-Sep-2011%2019.30,%20Grants%20Advisory%20Panel.pdf?T=10>

GAP report: Grant Process for 2012/13 Update, 9th November 2011

<http://www.harrow.gov.uk/www2/documents/g60680/Public%20reports%20pack,%20Wednesday%2009-Nov-2011%2019.30,%20Grants%20Advisory%20Panel.pdf?T=10>