

REPORT FOR: CABINET

Date of Meeting: 8th 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

**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: Equalities Impact
Assessment
Appendix 3a: Analysis of applications
2012/13 by protected characteristics
served
Appendix 3b: Analysis of applications
2011/12 by protected characteristics
served
Appendix 4: Minutes of Grants
Advisory Panel meeting

Section 1 – Summary and Recommendations

This report sets out grant funding recommendations for the Main Grants Programme 2012/13.

Recommendations:

Cabinet is requested to approve the Grants Advisory Panel recommendations that:

1. £74,000 be ring-fenced from the Main Grants budget to fund the commissioning of an infrastructure support service for the Third Sector.
2. 37 grant applications be awarded grant funding at the levels outlined in paragraph 2.2.1, subject to:
 - (a) receipt of satisfactory references and supporting documents from applicants two weeks after notification of the grant funding decision;
 - (b) completion of the appeals procedure and any changes to the amounts awarded necessitated by decisions on appeals.
3. Applications with a score below the threshold agreed for grant funding be placed on a reserve list.
4. Authority be 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 (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).
 - (iii) vary the threshold and percentage award as appropriate in light of new information.

Cabinet is further requested to approve the following recommendation of the Portfolio Holder for Community & Cultural Services as follows:

5. Authority be delegated to the Portfolio Holder for Community and Cultural Services and the Divisional Director of Community and Culture to consider and determine appeals, in consultation with an Independent Advisor appointed to advise the Portfolio Holder and Director on those appeals and in the presence of an independent observer nominated from the Harrow Voluntary and Community sector; 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.

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 annual, 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. 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 Grants Advisory Panel (GAP) considered the following options at their meeting on the 1st March 2012:

Option A: Supporting infrastructure services to the Third Sector

GAP considered the ring-fencing of £74,000 from the available budget to support the delivery of a new infrastructure support service for Third Sector organisations as described below:

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 has undertaken a consultation to determine infrastructure support needs of the sector and the results will inform the development of a specification for the commissioning of a new service.

If no funds were set aside for the development of an 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 and a new service would also help address some of the equalities concerns identified in section 2.10 of this report. 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 and 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.

To ensure continued support to the Third Sector, GAP therefore 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.

Option B: Distribution of Main Grants Programme funding

GAP considered the options available for the allocation of funds as set out in Appendix 1, which shows the different funding scenarios available. GAP identified the following principles for the allocation of funds;

- (i) Applicants that had submitted high scoring applications should receive as high a percentage of the funding applied for as possible.
- (ii) That resources were distributed to fund as many applications as possible within the funding available.
- (iii) That grant awards should be at a level that supports the deliverability of the proposed project or activity.

GAP therefore made the following recommendations:

Small grants:

The total amount applied for by small grant applicants is £130,651. GAP agreed the Portfolio Holder's recommendation that 15% of the budget be allocated to small grants therefore **£89,304** is available for allocation to small grants. Within this budget GAP recommends that:

- those scoring 70-100% be awarded 90% of the amount requested;
- those scoring 50-69% be awarded 60% of the amount requested

Large grants:

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

- those applications scoring between 93-100% be awarded 80% of the amount they had requested;
- those applications scoring between 90-92% be awarded 71% of the amount they had requested.

Option C: Appeals process for 2012-13 awards

GAP considered the processes for appeals for the 2012-13 grant awards. The GAP report of 1st March recommended that appeals were determined with the same process as for the 2011-12 process i.e by the Portfolio Holder for Community & Cultural Services with the Divisional Director for Community & Culture supported by an external independent advisor. However, GAP recommended an appeals panel of Members drawn from those GAP Members who had not participated in the 1st March GAP (see appendix 4 Minutes of Grants Advisory Panel 1st March 2012). This panel could sit for the required number of sessions to hear any appeals. GAP felt that their main concern was to ensure that the appeals process was seen to be transparent.

The Portfolio Holder for Community & Culture has taken on board the requirement for added transparency to the appeals process but is also minded of the potential delay that setting up extra panels could cause to the final notification of awards to applicants. For that reason, the Portfolio Holder is recommending that appeals are considered using the same process as for 2011 – 12 grants but that an independent observer (i.e. a non-applicant) from Harrow's Voluntary and Community Sector is invited to observe the appeals process on behalf of the sector.

- 2.2.2 GAP recommendations are subject to the appeals process and therefore the level of grant awarded to successful organisations may change.

2.2.3 GAP therefore recommends to Cabinet that;

1. £74,000 be ring-fenced from the Main Grants budget to fund the commissioning of an infrastructure support service for the Third Sector.
2. 37 grant applications be awarded grant funding at the level outlined in paragraph 2.2.1 above, subject to:
 - (a) receipt of satisfactory references and supporting documents from applicants two weeks after notification of the grant funding decision;
 - (b) completion of the appeals procedure and any changes to the amounts awarded necessitated by decisions on appeals.
3. Applications with a score below the threshold agreed for grant funding be placed on a reserve list.
4. Authority be 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 (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).
 - (iii) vary the threshold and percentage award as appropriate in light of new information.

In addition, The Portfolio Holder for Community & Cultural Services recommends to Cabinet that:

5. Authority be delegated to the Portfolio Holder for Community and Cultural Services and the Divisional Director of Community and Culture to consider and determine appeals, in consultation with an Independent Advisor appointed to advise the Portfolio Holder and Director on those appeals and in the presence of an independent observer nominated from the Harrow Voluntary and Community sector; 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.

2.3 Background

- 2.3.1 This year's grant application process has been managed in the same way as in previous years with some revisions approved by GAP at their meeting on the 13th September 2011.
- 2.3.2 For 2012/13 applications were invited for small grants (less than £5,000) and large grants (£5,001-£100,000). 78 applications were received and of these:
- 48 were for large grants
30 were for small grants
- In 2011/12 131 applications were received in total and 38 awards were approved.
- 2.3.3 Two information sessions were provided with 56 potential grant applicants attending. 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 Grant assessment panels comprising relevant officers from across the Council were set up. 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.
- 2.3.5 Members of the voluntary sector were invited to observe the assessment panel process. Seven panels were observed by three observers and feedback was sought on the process. Overall the observers rated the process as good, very good or excellent in terms of fairness.
- 2.3.6 One application was assessed as ineligible at the first stage assessment as the application was for capital costs only. This application was from the Herga Opportunity Pre-School Playgroup therefore **77** applications met the first stage assessment and are listed in Appendix 2a and 2b in order of scores achieved.
- 2.3.7 GAP were provided with an assessment of the general quality of applications and this information will be sent to all applicants. The general quality of grant applications appears to have improved from previous years however there may be areas where further training input is required.

2.4 Current situation

- 2.4.1 All applicants will be notified in writing of the outcome of their application once the Cabinet decision is confirmed. Organisations will be required to submit supporting documents and references within two weeks of the receipt of this letter. This communication will also include

details about the appeals procedure. Applicants will be able to appeal on the following grounds:

“information presented to the Grants Advisory Panel was incorrect or information was omitted and that this had a material effect on the decision”

Applicants will have seven working days within which to submit their appeal in writing.

2.4.2 Harrow Council provides support to the Third Sector in a number of ways including with accommodation, advice on fundraising, volunteers through the One-4-One scheme as well as through the provision of funding. Funding support is delivered across a number of Directorates with the total amount available in 2011/12 totalling just over £3 million.

2.5 Why a change is needed

2.5.1 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.

2.5.2 The Main Grants programme is just one element of the total funding made available to the Third Sector. The aim of the Third Sector Investment Plan is to take a more strategic and co-ordinated approach to the provision of this funding and therefore the Main Grants Programme funding in 2013/14 will be allocated as follows;

- (i) Commissioning services from the Third Sector over a three year period.
- (ii) An annual small grants programme that will invite applications for funding for small grants up to £5,000.

2.5 Implications of the Recommendation

2.5.1 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.

The equalities duties are continuing duties and 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 and press reports. 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 relevant protected characteristics are:

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

2.6 Financial Implications

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

2.6.2 The budget available for grant recommendations in 2012/13 is £595,360. Cabinet is further requested to approve grant recommendations as follows:

Small grants:

- those applications scoring 70-100% be awarded 90% of the amount requested, total allocated £57,623.

- those applications scoring 50-69% be awarded 60% of the amount requested, total allocated £19,194.

Large grants:

- those applications scoring between 93-100% be awarded 80% of the amount they had requested, total allocated £349,235
- those applications scoring between 90-92% be awarded 71% of the amount they had requested, total allocated £155,673

The total therefore allocated to small and large grant applications is £581,725.

- 2.6.3 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.

2.7 Performance Issues

- 2.7.1 The Council has arrangements in place to ensure that organisations in receipt of a grant deliver the outcomes stated in the application form. The Council monitors performance through an annual monitoring process that also aims to ensure that ongoing governance and management arrangements are in place. All funded organisations participate in a mid-year and end of year monitoring process. Small grant recipients complete a self-assessment form and large grant recipients also receive a monitoring visit. This process allows the Council to withhold grant payments if performance or governance concerns are identified. The monitoring process is not a full audit and relies on accurate information being provided by the grant recipient.

2.8 Environmental Impact

- 2.8.1 Some of the organisations applying for grant funding support the maintenance of biodiversity and improvements to the quality of open spaces.

2.9 Risk Management Implications

- 2.9.1 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.

2.10 Equalities implications

2.10.1 The equality impact assessment (Appendix 3) 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 2.2.1 would also offer continued fundraising support to all organisations, including small groups.

2.10.2 An analysis of grant applications received for 2012/13 by protected characteristic served is attached at Appendix 3a and an analysis of grant applications received for 2011/12 by protected characteristics served is attached at Appendix 3b. 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 groups 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 protected group they intend to deliver to and therefore no absolute analysis can be undertaken.

2.11 Corporate Priorities

2.11.1 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: ... 6 th March 2012.....		
Name: ... Jessica Farmer...	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: ... 6 th March 2012.....		

Section 4 – Performance Officer Clearance

Name: ... David Harrington....	<input checked="" type="checkbox"/>	on behalf of the* Divisional Director Partnership, Development and Performance
Date: ... 6 th March 2012.....		

Section 5 – Environmental Impact Officer Clearance

Name: ... John Edwards....	<input checked="" type="checkbox"/>	
Date: ... 6 th March 2012.....		

Section 6 - 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>

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

*(for completion by Democratic
Services staff only)*

YES/ NO / NOT APPLICABLE*

** Delete as appropriate.
If No, set out why the decision is
urgent with reference to 4b - Rule
47 of the Constitution.*