

**REPORT FOR: GRANTS ADVISORY
PANEL**

Date of Meeting:	30 th July 2012
Subject:	Small grants application form and draft timetable
Key Decision:	No
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:	No
Enclosures:	Appendix 1: Main Grants application form 2012-13 Appendix 2: Proposed draft Small Grants application form 2013-14

Section 1 – Summary and Recommendations

This report sets out proposals for amendments to the grants application form and proposed draft timetable for the Small Grants programme 2013-14.

Recommendations:

The Grants Advisory Panel (GAP) is requested to make recommendations to the Portfolio Holder for Community and Cultural Services on the format of the application form and draft timetable for the Small Grants Programme 2013-14.

Reason: (For recommendation)

To prepare for the delivery of the new Small Grants programme 2013-14.

Section 2 – Report

2.1 Introductory paragraph

2.1.1 The provision of Council grant funding enables local Third Sector organisations to deliver a range of activities for the benefit of Harrow residents. Many of these organisations provide activities that support the Council's corporate priorities, in particular;

- 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.

2.2 Options considered

2.2.1 The application form for the 2012-13 Main Grants programme (Appendix 1) was recommended for approval by GAP at their meeting of 13th September 2011. Feedback from Members and other stakeholders during the 2012-13 process suggested that the form should be amended to assist smaller organisations in making their applications. This report requests GAP to consider the following options for the development of the application form and the proposed draft timetable:

2.2.2 Grant eligibility criteria:

The current eligibility criteria was adopted in 2009 as a result of consultation with the Third Sector. At their meeting on the 13th September 2011, GAP agreed that the criteria should be reviewed on an annual basis. The criteria currently states that organisations must be;

A 'not for profit' Third Sector organisation delivering projects/activities for the benefit of people living, working or schooling in Harrow.

Consultation undertaken with the Third Sector during 2011 sought views on the following criteria;

Assessment criteria	Strongly agree/agree	Strongly disagree /disagree	Neither agree or disagree
Whether or not the proposed activity duplicates an existing project/activity being offered to the same client group?	68%	21%	11%
Whether or not the organisation has a track record of delivering the proposed project /activity?	83%	10%	7%

Whether or not the proposed project / activity can be shown to tackle disadvantage?	74%	16%	10%
Whether or not the project / activity provides value for money in the delivery of outcomes?	92%	2%	6%

GAP are requested to consider the current eligibility criteria in light of this feedback.

2.2.3 First stage assessment

The first stage assessment requires organisations to confirm that;

- They are a properly constituted organisation and have a management committee and bank account in the name of the organisation.
- They are able to show that the organisation is financially stable.
- The organisation has the required policy documents in place.
- They are able to provide two references to support the grant application.

GAP are requested to consider the following:

2.2.4 **Financial stability**

In the current financial climate GAP were concerned to establish the financial stability of organisations that were applying for funding. Question 8a was included in the application form in an attempt to assess an organisations financial viability. The information requested provided a snapshot of the organisations financial position. The format of the question was based on one used by the Awards For All funding programme. GAP are requested to consider whether or not this information should continue to be sought or whether an alternative way of assessing financial stability should be included.

Financial reserves

The response to Question 8a provides the Council with information on an organisations financial reserves. During 2012-13 this information was not used as part of the assessment process although the internal audit report recommended that consideration should be given to setting a limit on reserves over which funding is not made. GAP are requested to consider this recommendation.

2.2.5 **Policy documents**

Section 9 of the application form sets out the required policy documents for all applicants. During 2012-13 some organisations found it difficult to provide all of the required documentation due to the nature and size of the organisation, eg. reserves and volunteers policies. In addition, many organisations submitted policies that were not signed and dated by management committee members. To improve the accessibility of the small grants programme GAP could consider reducing the requirement on applicants to submit policy documents

once a grant is awarded. GAP Members are however, reminded of the need to ensure that appropriate funding decisions are made and requiring policies to be in place is one way of ensuring an organisation is fit for purpose and operating within legal and good practice requirements. To help ensure safe practice is taking place within funded organisations it is suggested that the minimum requirement should include relevant and signed safeguarding policies and up-to-date insurance documents.

2.2.6 **References**

During the development of the application form there was some discussion about the inclusion of requests for references. Some Members felt that this was a difficult requirement for small groups to meet. A review of grant applications used by other funders shows a range of approaches to this requirement with some funders including a request for references whilst others do not. GAP are requested to consider whether a requirement to provide references should be included in the new form.

2.2.7 **Size of organisation:**

The current eligibility does not limit access to the grants programme according to the size of the organisation. During 2011 the Third Sector was consulted on whether or not a small grants programme should be limited to organisations with an income below a certain threshold. **61% agreed that the small grants programme should be limited to organisations below a certain threshold.** Views were also sought on what the maximum income threshold should be, the results were;

£10,000:	51%
£50,000:	27%
£100,000:	8%
£500,000:	10%

The Third Sector Investment Plan adopted by Cabinet in October 2011 recommended that the small grants programme should support organisations with an annual income of up to £50,000.

2.28 Other proposed amendments

To further simplify the application form the proposed draft Small Grant application form (Appendix 2) includes the following suggested amendments;

- Removal of question 2b: 'When was the organisation set up?'
- Inclusion of an additional question at 3f: 'Please specify the target group(s) that will benefit and explain why this group is being targeted for this project/activity' to allow the organisation to state more specifically which equality group will benefit and why.

- Moving questions 3f and 3i to section 6 to improve the format of the form.
- The removal of section 3ii and 3iii as information about the equality groups to be targeted will be requested at 3e. Detailed monitoring information will be collected during monitoring.
- The merging of questions 4a and 4b to allow applicants to both describe the need and explain how this need will be met in a combined response.
- Changing the column headings in section 5 to read 'What you hope to achieve?'; 'Your targets' and 'How you will evidence your success?' so that this section is more user friendly and avoids the use of jargon as far as possible.
- Changing section 6 to read 'Access to your project' and including question 3f and 3i in this section (as described above), as well as including a new question 'How will they know about your project and be able to access it?'
- Question 7a to become part of section 6 to improve the flow of information requested.
- Questions 8d, 8e and 8f to be removed as this information is not used in the assessment.
- The inclusion of an additional question 'Is there any other information you would like to include that is relevant to your application?'

2.2.9 Draft timetable

The draft timetable proposed for the delivery of the Small Grants programme 2013-14 is as follows;

Date	Activity
13 th September 2012	Cabinet approval of Small Grants programme
24 th September	Grant applications open
w/b 1 st October and 8 th October	Grant information sessions provided
22 nd October	Grant application deadline
22 nd October – 3 rd December	Administration and assessment process
15 th January 2013	Grant recommendations report to GAP
14 th February	Grant recommendations report to Cabinet
25 th February	Grant applicants notified / appeals process opens
6 th March	Deadline for appeals
w/b 11 th March	Appeals panel meets
w/b 18 th March	Final awards notified

2.2.10: **Appeals process**

The budget for the Small Grants programme is likely to be significantly less than that allocated to the Main Grants programme in previous years. The management of an appeals process would be disproportionately resource intensive compared to the size of grants to be awarded in a Small Grants programme. An appeals process also delays the notification of grant awards to successful applicants. The proposed amendments to the form are intended to make applying for a grant simpler and includes a question that allows the applicant to make its case for funding ie. "Is there any other information you would like to include that is relevant to your application?" In light of these changes GAP is requested to consider whether an appeals process for the Small Grants programme is required.

2.3 **Background**

2.3.1 The Council undertook a consultation with the Third Sector in 2011 about the future provision of Council support to the Third Sector. This consultation demonstrated support for a grants programme that provided support to smaller organisations and informed the development of the Council's Third Sector Investment Plan. This plan set out a set of key principles to under-pin decisions around resource allocation to the Third Sector:

- 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 Council's public sector duty on equalities.

These key principles will underpin the future delivery of Council support to the Third Sector through commissioning, grant funding and premises support.

2.4 Current situation

2.4.1 The Main Grants programme in 2012-13 received 78 applications of which 48 were for large grants and 30 were for small grants. Following the assessment of applications and completion of the appeals process 20 large and 22 small grant applications were awarded funding.

2.4.2 15% of the grants budget (£100,404) was set aside for small grants. The total amount requested by small grant applicants was £130,651 and at the end of the process £79,817 was awarded to small grants.

2.5 Why a change is needed

2.5.1 The Third Sector Investment Plan provides the strategic framework for future decisions regarding the allocation of Council resources to the Third Sector. The delivery of a small grants programme is in line with the proposals contained within this plan.

2.6 Implications of the Recommendation

2.6.1 Staffing/workforce

The delivery of a Small Grants programme alongside a commissioning process will require some changes to roles and responsibilities for staff in this area. Any changes will be undertaken with due regard to the organisations Protocol for Managing Change.

2.7.1 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.

2.8 Financial Implications

2.8.1 A proportion of the grants budget will be allocated to the Small Grants Programme. The amount to be allocated is yet to be determined.

2.9 Risk Management Implications

2.9.1 The main risks associated with the provision of grant funding to Third Sector organisations is that the funding is not used in the way 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 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 deliver the agreed outcomes.

- (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 During the consultation respondents to the survey were asked whether or not they thought the proposed changes would impact differently on one more of the following groups; age, disability, race, gender, gender identity, religion or belief or sexual orientation? The responses were;

Yes: 42%
No: 50%
Not stated: 8%

2.10.2 An equalities impact assessment on the process for the Small Grants Programme will be undertaken before final proposals are presented to Cabinet. GAP is requested to consider the equality implications of any amendments to the application form.

2.11 Corporate Priorities

2.11.1 Many of the applications received for grant funding provide activities that support the corporate priorities in particular;

- 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.

Section 3 - Statutory Officer Clearance

Name: Roger Hampson	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 17 July 2012		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 17 July 2012..		

Section 4 - Contact Details and Background Papers

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

Background Papers:

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

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

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

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