

Appendix 5

Project/Item	Grant Funding
Date	26 th January 2011
Brief Description	<p>1. PURPOSE</p> <p>1.1 The purpose of the report is to recommend a new approach in the way the Council distributes grant funding.</p> <p>2. BACKGROUND:</p> <p>2.1 The Council recognise the invaluable contribution that the voluntary and community sector makes to society in Rossendale. The sector in Rossendale is strong and can point to exemplar work that has been at the forefront of developing and sharing of best practice in how social enterprise can make a real difference to a borough. Rossendale's third sector includes a wide range of organisations working to achieve a variety of goals, but the need for good governance is common to them all.</p> <p>2.2 In tight financial times it will be socially irresponsible not to support effective interventions that deliver proven benefits and to oversee and evaluate innovative approaches to service delivery.</p> <p>2.3 If the business case points to commissioning and distributing funding to organisations / groups within the Third Sector that deliver the desired outcomes then no one could question that is value for money.</p> <p>2.4 On behalf of the Council the Communities Team presently oversee the management of three separate grant pots.</p> <ol style="list-style-type: none"> 1. Grants to Outside Bodies: £188,300 2. Neighbourhood Forum- Community Grant: £20,000 3. Neighbourhood Forum – Events Grant (funded through one off Area Based Grant): £20,000 <p>2.5 In addition the Council also supports local community organisations by providing discretionary relief for business rates of £25,900 pa. This amount excludes support to CLAW and RLT which is provided in accordance with separate agreed business plans.</p> <p>2.6 Therefore, total community grant allocation in 2010 – 2011 = £254,200</p>

3. GRANTS TO OUTSIDE BODIES

3.1 A new Council 'Grants to Outside Bodies' policy was introduced in 2005. This gave organisations/groups an option of applying for two types of funds – a 'One Year-one off grant' or a 'Three Year Grant'.

3.2 The Council's allocation of Grants to Outside Bodies in 2010 – 2011 was £188,260. In 2010 – 2011 the majority of funding was allocated to organisations / groups that requested a three year grant totalling £115,075 distributed to the organizations/groups in the table below:

Group / Society	Amount Agreed £
Groundwork Pennine Lancashire	6,000
Citizen Advice Bureau	75000
Haslingden and Helmshore Credit Union	4825
Bacup Credit Union	6500
Mid Rossendale Credit union	2750
The STAR Centre	5000
People Encouraging Enterprise in Rossendale (PEER)	15,000
TOTAL	£115,075

NOTE: The three year funding period comes to an end in 2011 – 2012.

3.3 As with previous years any unallocated fund from the £188,260 is offered out to organisations/groups to make an application for a 'One Year – one off grant. In 2010 – 2011 this totalled £73,185 of which £63,626 was allocated to the organisations/groups listed below:

No.	Group / Society	Amount requested	Grants Panel Recommendations
			2010/11
1	CAR Video Unit (located at Horse and Bamboo)	8,250	8,250
2	Bacup Consortium Trust (BCT)	21,373	6,200

	3	Cherry Tree Pre-School		2,250		2,250
	4	Pioneer Community Amateur Boxing Club		6,100		6,100
	5	The Magdalene Project		5,000		5,000
	6	Bacup Family Centre		12,500		12,500
	7	2nd Rossendale Scout Group & Scout Group Band		11,572		4,876
	8	Horse and Bamboo Theatre		6,000		6,000
	9	Rossendale & Pendle Mountain Rescue Team		2,000		2,000
	10	Weir Community Partnership		7,502		1,000
	11	Rossendale Valley Mencap & Gateway		13,254		2,450
	12	Valley Artist Studios		1,000		500
	13	Alf's Blackbelt Academy		12,000		4,500
	14	VISION		20,000		2,000
		Total				£63,626

3.4 NEIGHBOURHOOD FORUM GRANTS

3.4.1 In 2010 – 2011 the Borough’s four Neighbourhood Forums had at their disposal the allocation of two grant pots; a general community grant and an events grant. Both grants had an allocation of £20,000 each.

3.4.2 Both of these funding streams gave a one off grant of up to £750 to third sector organisations / groups. These grants are allocated by the Neighbourhood Forum on an ongoing basis throughout the year.

3.4.3 The grant is divided proportionately across the four Neighbourhood Forums dependant on population. Of the £40,000 the forums receive the following percentage:

Bacup	21.6%
Whitworth	11%
Rawtenstall	36.3%
Haslingden, Helmshore and Edenfield	31.1%

3.5 VERIFICATION VISITS

3.5.1 The Communities Manager and or the Community Development Officer have visited those organisations that have received Grant to Outside Bodies funding for 2010 – 2011.

3.5.2 The terms of reference for the visits was:

- To gain half year feedback on how the allocation of their grant was being utilised ensuring it was being spent against the agreed terms of their funding agreement.
- To discuss how we could mutually support each other and provide information on other work that was taking place across the borough that complemented the work of their organisation.
- To outline the challenges the Council faces in meeting the ‘Medium Term Financial strategy and finding savings of between £2.5 and £3million.
- To gauge how the organisations/groups the Council support are reviewing their business model to meet the challenge of shrinking budgets.

General feedback from visits:

- There was an overall acceptance of the dilemma the Council faces in meeting the challenge of its Medium Term Financial strategy.
- A clear message expressed by those organisations in receipt of a three year grant was how they were reliant on the grant allocation and

would be in year 2010 – 2011. However, they unanimously accepted that the Council had little choice but to consider reducing their grant; it was just about by how much.

- The majority of those organisations in receipt of a one year one off grant expressed a view that if a grant was available they would take the opportunity to apply. However, they recognised the challenge the Council faces and would not be unduly affected if they did not receive a grant.
- All those in receipt of grants were extremely grateful that they had previously received funding and whatever the outcome they recognised the importance of continuing to work with the Council and its partners.

To directly quote a recipient of grant. “Partnership working is not all about money it is about continuing to communicate and work with each other through these challenging times”

- A small number of organisations / groups that were visited expressed grave concern for their future if they could not secure adequate funding not just from the Council.

3.6 LOCALISM

In the context of this report it is worth noting that one of the drivers of the concept of localism is about “Devolving budget decisions down to a community, street and individual level”.

3.6.1 Meeting the challenges of the Comprehensive Spending Review presents the Council and its partners with an opportunity to do things differently / better.

3.6.2 Policies emerging from central government all point to a change in the way local services are designed and delivered. Decentralising government is at the heart of emerging government policy which will transfer power from central government to local authorities and the communities and individuals Elected Members represent.

3.6.3 Rossendale is well placed to deliver against this emerging agenda. The new Neighbourhood Forum arrangements introduced just over a year ago have proven to be highly successful. More than 40 community groups are now members of the forums and have played a central role in the development of a Neighbourhood Plan for their area.

3.6.4 The Rossendale Partnership, Rossendale’s Local Strategic Partnership also recognised the need to proactively review where it needs to be as a local partnership. It wanted to position itself in the best possible place to operate in an environment of no external performance management constraints, removal of external

	<p>bureaucracy, controls and barriers and be fit for purpose</p> <p>3.6.5 The Executive of the Rossendale Partnership met in October 2010 and agreed a transition towards a new structure that is flatter; focus on delivering SMART outcomes based on qualitative and quantitative information that will provide the greatest impact on improving the quality of people's lives.</p> <p>3.6.6 From the 17th January 2011 the LSP will move towards a three tiered structure;</p> <ul style="list-style-type: none">• Neighbourhood Forums that produce and deliver against action plans that reflect the diverse contrast of each area of the borough and connect directly with people in our communities and streets.• A Rossendale Forum that acts as a borough wide executive who will oversee the development and delivery of the Sustainable Community Strategy and scopes out the priorities for the borough to be delivered via a Rossendale Issues Group (RIG).• Rossendale Issues Groups (RIGs) will focus on and address the specific Rossendale issue it has been established to tackle by the Rossendale Forum. Its membership will be made up of those public, private or third sector organisations that can influence a positive outcome. <p>3.6.7 It is an aspiration of the Council and its partners that the RIGs will move towards commissioning services to deliver against priorities identified through community research and engagement and qualitative and quantitative data sourced through research tools such as mosaic and Joint Strategic Needs Assessments.</p> <p>3.6.8 This principle can be referred to as 'Locality Budgeting' which is a process of inter-organisational development and co-ordination of budgets for commissioning expenditure relevant to community and neighbourhood needs. This could include:</p> <ul style="list-style-type: none">• Information sharing: specification and clarification for partner agencies and local residents of existing spending levels within a spatial boundary of defined by an area or neighbourhood.• Reallocation of funds: reallocation of expenditure by individual agencies of budget resources to agreed RIG priorities.• Joint funding: mutual defined funding of interventions/activities identified by the Neighbourhood Forum and or Rossendale Forum.• Agency and partnership co-ordination: co-ordination of budgets to deliver the priorities identified by the Neighbourhood Forum and Rossendale Forum.
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- Devolution of budget and or control to the Neighbourhood Forum and Rossendale Forum: which empowers local communities to establish priorities and oversee implementation of expenditure.

3.6.9 The above actions would ensure that the partnership moved to a commissioning model against priorities identified by the Neighbourhood Forum and Rossendale Forum. This would provide the greatest beneficial outcome to local people.

3.6.10 The emerging government agenda points to a conclusion that the Council needs to evaluate how it supports the Third Sector in terms of the distribution of grants. To do this you need robust and rigorous governance arrangements in place to ensure that anyone applying for funding to commission services is judged against the principle of providing value for money.

4. CONCLUSION

4.1 The Neighbourhood Forums and embryonic Rossendale Forum are formulating into the focal point for all partners ensuring local people, community groups of interest and location shape and deliver services at a neighbourhood, community and street level.

4.2 No one can dispute that we are facing a different financial landscape than when we developed arrangement for the distribution of 'Grants to Outside Bodies' back in 2005.

4.3 The Council's Medium Term Financial strategy presents the Council with an opportunity to look at how it supports the Rossendale Forum, Neighbourhood Forums and the Third Sector. In this particular case it is through the distribution of grant funding that focuses on commissioning services which meets the service needs of the local population and as important how we work more closely and effectively together in the future.

5. A WAY FORWARD

5.1 The business case for change in the way not only Rossendale Council but all partners' supports the Third Sector is unchallengeable. The question we must answer is how that is achieved in the best interest of the borough as a whole, the communities we work with and the local people we work for.

5.2 It is proposed that the following actions are therefore considered.

- Scope out and implement a process that leads to a smooth transition from the present arrangement of rewarding grants to the third sector to one that is based on a commissioning model that provides value for money.

- Consolidate the grants accessible to the Third Sector across the Council into one funding pool.
- As far as reasonably practicable consolidate the different grant funding streams available from across the different public, private and voluntary agencies.
- Develop robust, open and transparent criteria including guidance for applicants, application form, scoring matrix and evaluation panel for the awarding and distribution of grant funding. The criteria will be based on the principle of commissioning value for money services which ensures the best use of time and resource, but most importantly delivers real outcomes for local people.

6. RECOMMENDATIONS

6.1 Having considered the evidence provided from the verification visits, taken account of emerging government thinking, the ongoing development of the Neighbourhood Forums and the work taking place to reshape and refresh the Rossendale Partnership it is proposed that the following recommendations are considered:

1. Request the Communities Manager develops robust, open and transparent criteria including guidance for applicants, application form, scoring matrix and evaluation panel for the awarding and distribution of grant funding, which will also include applications for discretionary rate relief.
2. Task Overview and Scrutiny Policy meeting on 8th March 2011 to oversee the development of the actions outlined at point 1 and bring a report back to Cabinet on 17th March 2011.
3. To support organisations and groups in receipt of grant through this transition. Having considered the feedback from the verification visits and those organisations in receipt of three year grant it is proposed that funding is provided at the same level for 2011 – 2012 - Q1 as outlined in the table below.

Group / Society	Amount Agreed for 2011 – 2012 Q1
Three Year Grant	
Groundwork Pennine Lancashire – Heritage Walks	£687.50
Citizen Advice Bureau	£18,750

Haslingden and Helmshore Credit Union	£1,206.25
Bacup Credit Union	£1,625
Mid Rossendale Credit union	£687.50
People Encouraging Enterprise in Rossendale (PEER)	£3,750
One of – One Year Grant	
Bacup Family Centre	£3,125
The STAR Centre	£1,250
The Magdalene Project	£1,250
TOTAL	£32,331.25

4. When setting the Council's annual budget for 2011 – 2012 ring fence a 'Localised Grant Budget' of £125,900k per annum to be allocated under the new funding arrangements outlined in recommendation 1. In addition to the above £70k to be devolved to neighbourhood forums and to recommend the same level of funding be secured for the years 2012/13 and 2013/14. The total allocation for 2011/12 will therefore be £195,900.
5. Invite organisations to make a fresh application under the new arrangements to be considered in late May 2011 with the commencement of any funding to start in Q2 of 2011 -2012 (1st July 2011).