

**Subject:** Community Grant Funding:  
Refreshed procedure for issuing  
Funding to outside bodies

**Status:** For Publication

**Report to:** Overview and Scrutiny - Policy  
Cabinet

**Date:** 8<sup>th</sup> March 2011  
17<sup>th</sup> March 2011

**Report of:** Communities Manager

**Portfolio Holder:** Leader of the Council

**Key Decision:** Yes

Forward Plan

General Exception

Special Urgency

## 1. PURPOSE OF REPORT

- 1.1 The report is written in line with the recommendation made by Cabinet on 26<sup>th</sup> January 2011: That the Communities Manager presents to Overview and Scrutiny Policy proposals for the development of robust, open and transparent criteria including guidance for applicants, application form, scoring matrix and evaluation panel for the awarding and distribution of grant funding.
- 1.2 That a revised grants policy incorporating the views of Overview and Scrutiny Policy be present to Cabinet on 17<sup>th</sup> March 2011.

## 2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report impact directly on the following corporate priorities:-
- **A clean and green Rossendale** – creating a better environment for all.
  - **A healthy and successful Rossendale** – supporting vibrant communities and a strong economy.
  - **Responsive and Value for Money local services** –responding to and meeting the different needs of customers and improving the cost effectiveness of services.

## 3. RISK ASSESSMENT IMPLICATIONS

- 3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- 3.2 Delivery of grants to third sector bodies not in accordance with the grants criteria could impact on the Council's performance.
- 3.3 Not issuing grant funding via robust, open and transparent criteria could open the process to challenge by those making or wishing to make an application.
- 3.4 The grant funding criteria is designed to ensure that councillors have information which will support responsible financial management through the allocation of grant funding against the Council's priorities. Having a flawed process could undermine this principle.

#### **4. BACKGROUND AND OPTIONS**

- 4.1 It would be difficult to disagree that Rossendale is facing a different financial landscape than when the Council developed arrangements for the distribution of 'Grants to Outside Bodies' back in 2005.
- 4.2 The Council's Medium Term Financial strategy highlights the need to find £2.6 - £3 million of savings over the next three years which undoubtedly presents a challenge to the Council that is unprecedented. This clearly highlights a real challenge but it also presents the Council with an opportunity to consider how going forward it supports the Rossendale Forum, Neighbourhood Forums and the Third Sector.
- 4.3 The present 'Grants to Outside Bodies' policy introduced in 2005 allowed organisations/groups the option of applying for two types of fund – a 'One Year-One off Grant' or a 'Three Year Grant'.
- 4.4 Going forward it is an aspiration of Rossendale Borough Council to move towards a process of allocating funding which commissions services that deliver against the priorities identified within the Council's Corporate Plan.
- 4.5 The Council also wants to show leadership and encourage partners in the public, private and voluntary sector to adopt the same principle when assessing how we jointly resource the delivery of the priorities within the Neighbourhood Forum Action Plan and Rossendale Forum Issues Groups.
- 4.6 These priorities are set through robust community research and engagement and the utilisation of qualitative and quantitative data. This data can be sourced through research tools like mosaic, participatory appraisal/consultation and Joint Strategic Needs Assessments.
- 4.7 On 26<sup>th</sup> January 2011 Cabinet recommended that Council amalgamate its funding pots including Grants to Outside Bodies grant, Neighbourhood Forum Community grant, Neighbourhood Forum Events grant and the 20% Discretionary Relief the Council provides to those charities who are awarded National Non Domestic Rating Relief. The Council amalgamated these grants into two distinctive funding streams:
  - A three year or a one year 'Rossendale Council Grant' giving organisations / groups the opportunity to demonstrate that they

provide a service or function that delivers against the priorities in the Council's Corporate Plan and/or the Neighbourhood Action Plans

- A Neighbourhood Forum fund that gives members of the Forum the opportunity to allocate resources to either a project that assists in the delivery of priorities in the Neighbourhood Forum Action Plan or a grant to a local community group / organization.

- 4.8 The level of grant funding requests the Council receives can range from under a £1,000 to provide equipment for art classes, kick-start the setting up of a community group or run an event to more significant funding above £10,000 to deliver services that provide financial, debt and legal advice.
- 4.9 Consideration has therefore been given to developing criteria, the design of an application form and scoring matrix that recognises the capacity of an organisation/group, the complexity of the project being delivered and level of funding being requested.
- 4.10 In assessing how the Council evaluates funding support to the Third Sector it needs to demonstrate robust and rigorous governance arrangements to ensure that anyone applying for funding is judged against the principle of providing value for money.

### **Rossendale Council Grant**

- 4.11 Subject to approval by Cabinet the Rossendale Council Grant will be opened for applications from 21<sup>st</sup> March 2011. It is proposed that applicants will be able to apply for a three year grant or one year one off grant.
- 4.12 The opening of the grants process will be launched with the issuing of a Rossendale Council Grant Application Process briefing paper (see [Appendix 1](#)). The briefing paper will be distributed through the usual community networks that have proven successful and will invite applicants to indicate the level of funding they intend to apply for either up to a £1,000 over a £1,000 or over £7,000.
- 4.13 Dependent on the size of funding requested applicants will receive:
- Grant Guidance & Criteria Form A, B and C (see [Appendix 2](#))
  - Application Form A, B and C: (see [Appendix 3](#))
- 4.14 All applications that either requests a three or one year grant will be scored against a matrix that is weighted in favour of those applications that offer robust evidence against the questions asked in the application form. The maximum score that can be achieved is 100.
- 4.15 It is proposed that the Rossendale Council Grant will be assessed by a panel of Councillor's incorporating the Portfolio as Chair, a proportionate balance of Councillors that reflect the balance of the Council and two co-opted members of Overview and Scrutiny to act as independent observers. Officers will be on hand to facilitate, provide advice and guidance.

- 4.16 All applications, irrelevant of the amount of funding requested will be placed in numerical order against their score (0 – 100). The evaluation panel will consider those applications that score the highest and will allocate funding as they deem appropriate.
- 4.17 There are a number of possible scenarios that may happen as a result of this evaluation process which are listed below:
- If all the funding is allocated in 2011 – 2012 (year 1) to those applications requesting a three year grant, the application process will be closed for years 2012 - 2013 (year 2) and 2013 – 2014 (year 3)
  - Funding allocated to one year grant applications and grant not awarded in 2011 – 2012 will result in the process reopen in 2012 - 2013 and the same principle will apply in 2013 - 2014
  - Should an organisation/group that has received transition funding be successful in securing funding from Q2 (July 2011) an adjustment will be made in the grant awarded for 2011 – 2012 to take account of the amount awarded in Q1
- 4.18 Cabinet on 26<sup>th</sup> January 2011 asked that consideration be given to developing a criteria to asses and determine applications for discretionary rate relief. At the Cabinet meeting there was a strong request from members of the community that it would be helpful if any new grant allocation process was introduced as soon as possible to allow community groups/organisations to forward plan.

**Neighbourhood Forum Grant**

- 4.19 The grant to the Neighbourhood Forums will be divided proportionately across the four Forums dependent on population based on the following percentage:
- |                                       |       |         |
|---------------------------------------|-------|---------|
| - Whitworth                           | 11%   | £ 7,700 |
| - Bacup                               | 21.6% | £15,120 |
| - Haslingden, Helmshore and Edenfield | 31.1% | £21,700 |
| - Rawtenstall                         | 36.3% | £25,410 |

Any Neighbourhood Forum grant under spend in 2010 -2011 will be carried forward into 2011 - 2012.

- 4.20 It is proposed that the financial allocation received by each forum will allow for two types of funding application:
- Funding allowing community groups / organisations to apply for a Neighbourhood Forum grant of up to £500
  - Funding to support the delivery of projects identified as priorities within the Neighbourhood Forum Action Plan

4.21 Unlike the Rossendale Council Grant the Neighbourhood Forum funding can be issued throughout the year with any under spend carried forward into subsequent years. There will be two separate application process.

- Neighbourhood Forum Grant application form (See [Appendix 4](#))
- A project application form based on the same criteria as the Performance Reward Grant (see [Appendix 5](#))

4.22 Each application will be considered by a funding panel of the Neighbourhood Forum consisting of 3 Councillors. The funding panel will submit their preferred recommendation/s to the full membership of the Neighbourhood Forum seeking approval.

4.23 Should a consensus of the Forum membership not be reached the Chair will seek a decision from the Elected Members on the forum.

## **Timeline**

### ***Rossendale Council Grant***

4.24 The draft criteria, application forms, guidance notes and scoring matrix were made public on 1<sup>st</sup> March 2011 for presentation Overview and Scrutiny Policy on 8<sup>th</sup> March 2011.

4.25 Once a fresh procedure is agreed the 'Rossendale Council Grant' funding pot will be opened after the 17<sup>th</sup> March 2011 inviting community groups and organisations to submit an application with a closing date of noon on 18<sup>th</sup> April 2011.

4.26 Subject to the availability of Councillors it is hoped that a grants evaluation panel will meet week beginning 17<sup>th</sup> May 2011.

4.27 The recommendations of the grants evaluation panel would be submitted to Cabinet on 29<sup>th</sup> June 2011 for approval and those successful applications will receive funding from 1<sup>st</sup> July 2011.

4.28 It is important to note that should an organisation/group in receipt of transition funding be successful in securing a grant from Q2 (July 2011) an adjustment will be made in the grant awarded for 2011 – 2012 to take account of the amount awarded in Q1.

### ***Neighbourhood Forum Grant***

4.29 The new process for issuing Neighbourhood Forum funding as outlined at point 4.19 – 4.23 will start on 1<sup>st</sup> April 2011.

## **Grants Monitoring**

- 4.30 Clear outcomes will be confirmed with the allocation of the grant which will be monitored to ensure that all organisations spend the funds according to what they stated in their application form. All grant applicants will be required to complete an end of year monitoring form. If there is underachievement a review of the funding awarded will be undertaken which may result claw back.
- 4.31 Successful applicants will also need to attend monitoring events where appropriate, they may be subject to a number of visits from the Communities Team and they will need to submit regular updates.
- 4.32 These conditions will be outlined in the grants agreements signed by organisation in receipt of grant funding. The information provided enables the Council to build a picture of the overall impact of the Grants Policy on the people of Rossendale.
- 4.33 By increasing our understanding of what works well and what has been less successful, we will be better placed to assess future applications and advise applicants on how their bid can be improved and match best practice.

### **Peer Review/Consultation**

- 4.34 An invitation was issued to all those organisations/groups who have received funding from the Council and put out through the community database. We asked for any comments or suggestions they may have in relation to the development of the grant funding process. Suggestions were sought on the format, wording of the criteria, application forms and guidance notes. The response and comments received from this invitation was both productive and positive and has resulted in the development of the guidance notes and application forms as demonstrated in appendix 6.
- 4.35 In addition to the above consultation we asked Help Direct and Burnley Borough Council to do a peer review.
- Help Direct assisted with ‘a walk through’ the process from the perspective of a community group wishing to make an application
  - Burnley Borough Council assisted with a traditional peer review to test the strengths and weaknesses of the process
- 4.36 In terms of the ‘walk through’ the feedback was very positive. Help Direct provided some helpful pointers particularly with the use of terminology and plain English. Burnley Borough Council commented that the structure we have chosen looked clear and was easy to understand. A comparison was also undertaken to assess the questions addressed in the application form. It is pleasing to feedback that there were many similarities.

### **COMMENTS FROM STATUTORY OFFICERS:**

#### **5. SECTION 151 OFFICER**

5.1 Any financial implications arising from the report and its recommendations will be limited to agreed budget resources.

## **6. MONITORING OFFICER**

6.1 The Constitution will need to be updated as a consequence of the changes outlined in this report.

## **7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)**

7.1 No Human Resources implications arising from the report.

## **8. CONCLUSION**

8.1 The Council recognise the invaluable contribution that the voluntary and community sector makes to society in Rossendale and how social enterprise can make a significant difference to the population of the Borough.

8.2 Rossendale's third sector includes a wide range of organisations working to achieve a variety of outcomes. The need for the Council to demonstrate robust, open and transparent criteria including guidance for applicants, application form, scoring matrix for the awarding and distribution of grant funding is essential. This refreshed approach to evaluating, determining and issuing grant funding will provide that reassurance.

8.3 As with previous years the Council expects that the level of applications and the amount of funding requested will be significantly higher than the amount of funding available so the competition for funding will be intense. The new grant criteria will ensure that the Council's finances demonstrate value for money.

8.4 This is a refreshed approach in the way the Council distributes grant funding to community groups / organisations. Although there is recognition within the third sector that we are in times of austerity the Council is acutely aware that there is nervousness in the third sector about how many are going to continue with an ever reducing budget.

8.5 The Council's support to the third sector does not start and end with the distribution of grant funding. Councillors and Officers support and work alongside 100s of community groups and individuals who neither request nor receive funding from the Council. This joint working is not measured in pure financial terms; it is about recognising that true partnerships are formed by continuing to engage with each other in more innovative and supportive ways.

## **9. RECOMMENDATION(S)**

9.1 That the Cabinet adopts the revised grant allocation process.

9.2 That the Cabinet supports the recommendation of Policy Overview and Scrutiny that 'Discretionary Rate Relief' is awarded from the Rossendale Council Grant to the community groups/organisations at [Appendix 7](#).

- 9.3 That a revised protocol for allocating discretionary rate relief is reviewed in 2011 – 2012 for introduction in 2012 – 2013.
- 9.4 Cabinet support the recommendation of Policy Overview and Scrutiny that any further minor amendments to the grants process be delegated to the Director of Customers and Communities and Portfolio Holder.

## 10. CONSULTATION CARRIED OUT

- 10.1 A letter was sent to all groups/organisations in receipt of grant funding and issued through a community data base. We asked for any comments or suggestions they may have in relation to the format and wording of the criteria, application forms and guidance notes.
- 10.2 An independent review was conducted by Help Direct and Burnley Borough Council.
- 10.3 Senior Management Team.
- 10.4 Portfolio Holder.

## 11. COMMUNITY IMPACT ASSESSMENT

- Is a Community Impact Assessment required Yes
- Is a Community Impact Assessment attached Yes

## 12. BIODIVERSITY IMPACT ASSESSMENT

- Is a Biodiversity Impact Assessment required No
- Is a Biodiversity Impact Assessment attached No

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Background Papers	
Document	Place of Inspection
Rossendale Council Grant Process Form	<i>Appendix 1</i>
Grant Guidance Notes and Criteria	<i>Appendix 2</i>
Rossendale Council Grant Application Form	<i>Appendix 3</i>
Grants application form	<i>Appendix 4</i>

Neighbourhood Forum Grants Policy and Guidance Notes	
Expression of Interest Form Project Funding	<i>Appendix 5</i>
Project funding Business Case Template	
Feedback from consultation	<i>Appendix 6</i>
Discretionary Rate Relief Grant	<i>Appendix 7</i>