

Subject:	Evaluation of the refresh of the Grants to Outside Bodies Grant Funding	Status:	For Publication
Report to:	Overview and Scrutiny Performance	Date:	24 th October 2011
Report of:	Director of Communities and Customers	Portfolio Holder:	Communities and Neighbourhoods
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Community Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)
1.1	That Overview & Scrutiny Performance Committee considers the evaluation of the Rossendale Council Grants process and agree to the recommendations detailed in the report at point 9

2. PURPOSE OF REPORT

- 2.1 Overview and Scrutiny – Policy at their meeting on 8th March 2011 reviewed the Council’s Grants to Outside Bodies Funding Policy, Procedures and Terms of Reference. This culminated in a report to Cabinet on 17th March 2011 recommending a revised grants process including new criteria under a scheme referred to as the Rossendale Council Grant.
- 2.2 The purpose of this report is to present to Overview and Scrutiny – Performance a report outlining ‘What Worked Well and What Didn’t Work So Well’ throughout the development and introduction of the new grants policy.

3. CORPORATE PRIORITIES

- 3.1 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.

4. RISK ASSESSMENT IMPLICATIONS

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

- 4.2 Delivery of grants to third sector bodies not in accordance with the grants criteria could impact on the Council's performance.
- 4.3 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.
- 4.4 Not having adequate training time for councillors, particularly new members, so soon after an election could impact on their ability to implement the agreed process.
- 4.5 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.

5. BACKGROUND AND OPTIONS

- 5.1 Council discussions with community groups/organisations in receipt of funding from its Grant to Outside Bodies pot started back in September 2010. At those meetings it was explained that the Council potentially faced a cut in its budget of £2.6 - £3 million and that along with a number of services it would be reviewing its grants policy. This provided an early opportunity for groups to feedback how they would like to see the present grant criteria improved and for the Council to understand how groups were business planning in times of pending austerity.
- 5.2 On 1st February 2011 the Council wrote to community groups / organisations outlining the financial challenge facing the Council and enclosed a working draft of the refreshed grants criteria, application forms and scoring matrix. They were informed that their ideas, comments and suggestion would be welcome and that the time line for the report passing through Council was Overview and Scrutiny Committee on 8th March 2011, Cabinet on 17th March 2011 and that they were public meetings.
- 5.3 Cabinet on 17th March 2011 took a report outlining that going forward it was an aspiration of the Council to move towards a process of allocating funding which commissioned services that deliver against the priorities identified within the Council's Corporate Plan, Rossendale Forum and Neighbourhood Forum Action Plans. The report included the development of new criteria, the design and layout of the application form and development of a scoring matrix that recognises the capacity of an organisation/group, the complexity of the project being delivered and the level of funding requested.
- 5.4 The recommendations from 17th March 2011 Cabinet was the adoption of a robust grant allocation process based on its grants policy followed by opening it up to applicants to apply for funding on 21st March 2011.
- 5.5 There were three tiers of application forms; each with 9 themed questions, so the more money groups requested the more detailed information was expected from their answers. For example a group requesting £900 was asked to provide an equality and diversity statement, those asking for £5000 or more were asked to provide a statement linked to the Council's main equality statements.
- 5.6 With each application form a guidance pack was issued clearly outlining how the applications would be scored, why we asked the questions we did and what the 'Grants Advisory Group would give higher or lower marks for.

5.7 The Council received 53 applications ranging from request for £500 to £75,000. To ensure that the Policy was applied in a consistent way, the Grants Advisory Group attended briefing sessions on 23rd May 2011 and 31st May 2011. The advisory group independently scored the 53 applications and their scores were added together and divided by the number of members to give an average score. Funding was then allocated in numerical order from the top score downwards until all of the available funding was allocated.

5.8 The advisory group's recommendations were submitted to Cabinet on 29th June 2011 along with all accompanying documentation including Community Impact Assessments. Following Cabinet's endorsement of the advisory group's recommendations the Council wrote to all the applicants to either inform them that they had been successful or otherwise. Feedback was offered to all the applicants and many of them took up this offer.

6. **REVIEW: What Worked Well - What Didn't Work So Well**

6.1 Early engagement with community groups and the peer review carried out by Help Direct and Burnley Council on the Grants to Outside Bodies policy developed in 2005 helped shape the final Rossendale Council grants criteria. Comments included:

- A number of groups said it was unclear how members decided what projects were going to be funded from the Grants to Outside Bodies fund
- The Grants to Outside Bodies fund appeared to have no clear system in place to mark the application forms
- Groups said that the Grants to Outside Bodies application form and criteria was biased towards larger more established organisations and chance wasn't given to newer, smaller groups

Help Direct offered feedback around the use of plain English and creating questions that were as accessible as possible to answer and understand, as well as the importance of getting groups to understand why we were asking the questions we did.

6.2 Burnley Council commented on making the system as fair as possible; ensuring the Council got enough information out of groups to make an informed decision. During the application process feedback was received from a number of groups around the new style application pack. Comments included:

- Once applicants had become accustomed to viewing the application form and guidance pack together, they said the guidance pack clearly outlined how groups should be filling out the form and what was expected from them
- The application form was fairer for groups as they knew what would be considered as a 'good or a bad answer'
- The scoring matrix avoided the potential for personal knowledge about groups influence the scoring
- Groups, particularly those requesting relatively small amounts of funding felt the form was too long and complex. Groups invested a lot of time into completing the

form and felt that this was disproportionate to the rewards, especially if there were not rewarded any funding

- Groups felt that the application form should have asked for additional information to be included such as reports, AGM minutes and good publicity

6.3 The general consensus was expressed that the new application form and guidance pack had gone in the right direction and cleared up any discrepancies felt by using the old form but that it was too long.

6.4 The members of the Grants Advisory Group faced the challenge of being new members, having to work with a new scoring matrix and scoring 53 applications that had been pre assessed as taking a minimum of 12 hours to complete.

6.5 All the applicants, successful or otherwise were offered feedback on their application; this offer was not taken up by all of the groups. Feedback was given to the unsuccessful applicants on how they could have improved their grant application by benchmarking their answers with those that were successful. Groups welcomed the feedback and most importantly, the non judgemental manner it had been provided.

It was pointed out to the applicants the many positives that had come from them applying as the grants process had raised awareness of the profile of their organisation. Outlined below is a number of positive outcomes:

- Information collected from the grants process was collated and also shared with key partners, such as ACCROSS who provide free training and development for community groups
- A number of groups were commissioned through other funding to provide activities, including delivering against The Children's Trust priorities
- A Disability Forum has been set up to support and provide advice.
- Groups have been signposted to and received Neighbourhood Forum Grants, Small Spark Grants and LCC grants

6.6 Feedback from a successful applicant was received from the Rossendale Citizens Advice Bureau (CAB). The CAB felt that in the scenario of the Grants Advisory Panel recommending a reduction in the amount requested a review should be carried out to assess the impact of any reduction.

7. FUNDING AGREEMENT

7.1 The final stage of the Rossendale Council Grant's process is the signing of the 'Funding Agreement Form'. The form provides a summary of the funding agreement between the Council and the successful applicant including the amount to be paid, the outcomes expected from the applicant, how the group can acknowledge the Councils support through its promotional work and that they are will to be involved in other initiatives that take place across the borough.

7.2 As with all the steps within the grants process, feedback and comments were sought from the successful applicants. During this stage the Council received comments from the CAB who felt that the funding agreement contained terms they felt would

compromise the independence of the organisation and that the period outlined for the termination of the grant should be extended to three months.

7.3 Having received these comments a meeting was organised with the CAB and the Council clarified its position in terms of what was being required on press activity and the display of the Council logo, resulting in the Council and CAB agreeing changes.

7.4 Changes were also made to the termination clause to include a three month notice period as advised by the National Compact guidance. This will result in all the Council's funding agreements being updated.

8. MONITORING

8.1 All successful applicants are required to complete a 6 and 12 month monitoring report. The 6 month monitoring will take the shape of an informal meeting where the groups will be invited to share their work and discuss it with other applicants, members of the Grants Advisory Panel and the Chair of Performance Overview and Scrutiny.

8.2 The informal half year monitoring provides an opportunity for community groups / organisations that the Council has invested funding in to celebrate their achievements and discuss what plans they have for the future. But most importantly it provides Councillors with a golden opportunity to interact, learn and potentially identify any further support either Councillors individually or the Council as a whole can give to these community groups.

8.3 The year end (12 month) monitoring will remain as in previous years ensuring groups submit yearend financial reports and outputs achieved against agreed outcomes obtained within their original application.

9. RECOMMENDATIONS GOING FORWARD

1. Consideration to be given to producing a pre application form so that an initial sift of applications can be made before requesting a more detailed application.
2. That any future development of the Rossendale Council grants process reflects the principle that the grant lower limit will be no less than £1000.
3. Introduce into the process a training programme for the Grants Advisory Panel and including adequate time within the process to conduct a full and comprehensive review of the applications.
4. Once the Grants Advisory Panel have made their recommendations introduce within the process a stage where a working group looks in more detail at the group's finances to ensure rigorous business planning is in place.
5. In allocating grants there should be a requirement as part of the decision making process and taking account of the Council's legal duty to promote Equalities, the Council should:
 - Compare the positive impact the whole grant allocation has on different equality groups
 - Assess, through the questions obtained in the application form the potential impact of being granted less funding than had been requested so the Council can assess what action is required to

mitigate the impact of not allocating the full amount requested

- Consult with relevant equality groups and the grant funding applicant to ensure the impact of the findings of the above point is understood. Including the findings of any Equality Impact Assessment
- That all stakeholders need to be involved in the development of any impact assessment

6. That the Council works with third sector organisations and new start ups to develop a commissioning model that delivers funding partnerships and assist in identifying sources of income that a) commissions services aligned to the delivery of statutory duties and b) provides grant funding to kick start / support a community initiative or supports the delivery of a project.

COMMENTS FROM STATUTORY OFFICERS:

10. SECTION 151 OFFICER

10.1 Members should ensure in the first instance that any financial implications, arising from their recommendations, are contained within current budget resources.

10.2 Members should also have due regard for the Council's Medium Term Financial Strategy and the need for Council to reduce its annual expenditure by £1M over the next two years.

11. MONITORING OFFICER

11.1 Included within the report.

12. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

12.1 The Council has a legal duty to assess the likely affects of it's policies and decisions on people of different equality groups. This includes looking for opportunities to promote equality. In addition, the weight that the Council gives to equality needs to be proportionate to its relevance to a particular function.

12.2 The new grant allocation process is more effective in that it enables the Council to meet it's legal requirements. However, there is a requirement to detail in the written documentation:

The implication on different equality groups of allocation and none allocation of grant. Details of consultation carried out to inform the findings in relation to the implications. The different impacts on different equality groups compared.

13. CONSULTATION CARRIED OUT

- Groups in receipt of Rossendale Council Grant and Grants to Outside Bodies
- Cabinet and Council
- Grants Advisory Panel

- Burnley Borough Council and Help Direct
- Groups who were unsuccessful in receiving Rossendale Council grant

14. CONCLUSION

- 14.1 Overall the revised grants policy has been viewed positively by those that were involved in the process. The revised criteria including the scoring matrix, application form and guidance has fore fronted the Council's commitment to an open process, equalities and promoting and developing partnership working between the third sector and the council.
- 14.2 That said it needs to be balanced against the challenge the Council faced in having to cut its budget by £3million. The Council is acutely aware that financial planning in these times of austerity is particularly challenging in the voluntary sector. The Council received 53 applications amounting to a request nearly £400,000. Therefore the challenge for the Grants Advisory Group and Cabinet was they knew from the outset that this process would result in a large number of organizations receiving no funding.
- 14.3 The criteria for the issuing of grant funding in times of austerity and continuing changes in legislation needs to be one that is open ended and flexible. The learning that has taken place through this evaluation feedback has and will continue to shape the Council's policy going forward.