

LONDON BOROUGH OF BRENT

**EXECUTIVE MEETING
08.03.04**

FROM THE DIRECTOR OF EDUCATION, ARTS & LIBRARIES

NAME OF WARD(S)
ALL

REPORT TITLE: MAIN GRANTS PROGRAMME CRITERIA

FP REF: EAL-03/04-0033

1.0 SUMMARY

- 1.1 This report seeks Members' approval of the criteria to be used in the assessment of applications for funding from the Main Grants Programme, July 2004 – March 2005. It summarises the background to revision of the criteria and the rationale for selecting them.

2.0 RECOMMENDATIONS

- 2.1 That Members agree the general criteria for the Main Grants Programme, as set out in Appendix 1, and the priorities for 2004/5, as set out in Appendix 2.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The planned budget for Main Programme Grants in 2004/5 is £1,139,000. The criteria form the basis on which this budget will be distributed for the period July 2004 - March 2005.

- 3.2 At the meeting of the Executive on 12th November 2003, Members agreed to:

- (i) Award those organisations that were funded in 2003/2004, and that have met the current grant conditions, 3 months grant to 30th June 2004 at the same level as in 2003/2004, in order to deliver the previously agreed objectives.
- (ii) Advertise for new grant applications to commence on 1st July 2004 for the period until 31st March 2005 (i.e. 9 months). These applications would be assessed against the revised criteria.
- (iii) Those organisations currently funded, that were unsuccessful in their applications, would receive protection up until 31st March 2005 as originally envisaged. This would be a maximum of 75% of what they would have received for the period July 2004 – March 2005, assuming the same level of grant as in 2003/4. They would also have around 9 months (July to March) to make contingency arrangements.

4.0 STAFFING IMPLICATIONS

4.1 No staffing implications arise directly from this report.

5.0 LEGAL IMPLICATIONS

5.1 The Council is entitled to change its policy/criteria for the distribution of grants to the voluntary sector but in doing so must ensure that such decision is reasonable, that it acts in a manner that is procedurally fair and that it observes rules of natural justice.

5.2 In recommending the criteria annexed to the report officers have undertaken consultation with the voluntary sector. Members are required to take the outcome of this consultation into account when making their decision on the proposed criteria.

6.0 DIVERSITY IMPLICATIONS

6.1 The new arrangements will mean that a wider range of voluntary sector organisations, including those that work with under-represented or hard to reach groups, will be able to access funding. They have the potential, therefore, to benefit a more diverse range of residents than has been the case hitherto.

6.2 Projects or services that benefit specific target groups are prioritised under some of the broad criteria. These are in line with priorities already identified in the Corporate Strategy or in the Council's various statutory plans. This does not, however, necessarily mean that these groups will be the only beneficiaries of Council grants.

7.0 DETAIL

7.1 The Council's relationship with the Voluntary Sector was fundamentally reviewed during 1996/7 and the Voluntary Sector Strategy was published in 1997 as a result. The strategy reflected the need for a re-examination of the Council's relationship with the voluntary sector. Although considerable improvements have been made, subsequent reviews demonstrate that the strategy has not been fully implemented and that problems still exist. In particular, the reviews showed that grants were allocated on a primarily historical basis and that the relationship between grants awarded and Council priorities was not obvious.

7.2 Based on the findings of these reviews and upon an analysis of good practice elsewhere, officers produced a consultation paper proposing a modernisation of the relationship and a shift from patronage by the Council to a working partnership between it and the voluntary sector. The paper, presented to members in July 2003, proposed a change in the type of funding available to organisations, the funding relationship, and the priorities upon which funding decisions would be made. It also proposed a greater emphasis upon providing support to, and building capacity within, voluntary and community organisations, above and beyond that which is purely financial.

7.3 The paper proposed adoption of a set of principles for funding as follows:

- Any decisions need to be open and accountable.
- The historical funding basis needs to be changed with support for the development of new organisations.
- Funding decisions should be linked to corporate priorities.
- Funding should be primarily seen as allowing organisations to focus on capacity building and funding alternatives or to deliver specific outputs.
- An incremental approach to changes in funding levels is required.
- Longer term funding time frames should be considered to give organisations realistic planning time horizons.
- Allocation of resources should be against clear and consistent criteria including value for money.
- Organisations should be committed to maintaining high standards of financial and legal governance, accountability and conduct.
- Organisations should develop performance indicators with targets that represent significant step-change and continuous improvement.
- In taking funding decisions, consideration should be given to the totality of other support received from the Council.

7.4 The paper was consulted upon widely with the voluntary sector between July and October 2003. The consultation comprised the following elements:

- discussion at each meeting of the Voluntary Sector Liaison Forum
- the consultation paper and feedback sheet were mailed to 760 voluntary organisations, both funded and un-funded
- an independent research company ran four focus groups
- a facilitated discussion at Brent Arts Forum
- a discussion meeting facilitated by BrAVA
- a one day conference attended by 65 representatives from the voluntary sector.

7.5 The proposed process of introducing new funding criteria provoked considerable and varied responses. Some groups, especially those not currently funded, felt that there could be a fairer distribution of grants than at present. There were, however, also concerns about the continued viability of existing groups if their grants were reduced as proposed. While there was agreement that funding decisions had to be linked to specific criteria and understanding of need, some of the suggested options were seen as problematic. It was felt that the proposals made to focus the funding criteria on particular priorities for a defined period, or to focus on a geographical area, would cause instability in the sector and would not recognise ongoing need.

7.6 The outcomes of the consultation, and proposals on next steps, were presented to members at the meeting of the Executive on 12th November 2003. At this meeting the Executive agreed the programme to implement changes to the system for allocating grants under the Main Grants Programme. These changes incorporated the revision of the criteria to be used in making funding decisions broadly on the lines set out in the original

consultation paper. The reservations of some of the voluntary sector respondents were acknowledged. Nevertheless, it was agreed that the grants criteria should reflect the principles proposed in the original paper; namely, that funding decisions should be linked to corporate priorities, that they should be made on the basis of clear and consistent criteria, and that the historical basis for funding should be changed.

- 7.7 The basic principle underlying the criteria is that funded projects or organisations should deliver outputs and outcomes that contribute to the achievement of the Council's priorities as detailed in the Corporate Strategy. The ambitions of the Corporate Strategy are, however, broad and will not in themselves lead to any clear prioritisation in the use of the Main Grants Programme. In order to assist further the targeting of the Grants programme, the consultation paper proposed a number of options such as:
- funding for all Corporate Strategy themes but focusing on some specific priorities within each
 - focusing the budget on specific themes of the Corporate Strategy on an annual basis
 - funding for all themes but focusing on priority neighbourhoods
 - funding for all themes but focusing on neighbourhoods at risk of decline
 - linking the Corporate Strategy themes to a geographical distribution.
- 7.8 The revised criteria, attached as Appendix 1, and the priorities for 2004/5, attached as Appendix 2, are mainly based on the first of these options. The specific priorities to be funded and the proposed outputs have been consulted upon with the relevant strategy "owners". All organisations will be required to meet the criteria set out in points 1-6 of Appendix 1, General Criteria. Applications that meet these criteria will then be assessed in terms of the extent to which they both meet the priorities set out in Appendix 2 and will deliver the proposed outputs. It is recognised that in some circumstances funding may be allocated outside the main priorities where it is apparent that the application is designed to meet a new or critical need not covered by the Corporate Strategy.
- 7.9 In addition to defining the criteria more closely, officers have since developed a draft application form, guidance notes, and monitoring procedures. These were consulted upon with a group of 26 representatives from voluntary sector organisations at a workshop on January 15th. They were also the topic of in-depth discussion at the Voluntary Sector Liaison Forum on 10th February. Further revisions to the application form, guidance notes, and monitoring procedures have been made as a result of some of the comments received. A number of participants volunteered to take part in the Joint Working Group that will continue to meet to assess the effectiveness of the new arrangements.
- 7.10 A further report will be presented to the Executive at its meeting on 7th June 2004 so that it can make the final decisions on which applications should be awarded funding.

8.0 BACKGROUND INFORMATION

The following papers were used in the compilation of this report:-

- i) From Patronage to Partnership – building a new relationship with the voluntary and community sector. A consultation paper produced by Brent Council, July 2003.
- ii) Report 003/03, “Consultation on the Voluntary Sector Support Review”, from the Director of Education, Arts and Libraries to the Executive, 21st July 2003
- iii) Report 021/03, “Voluntary Sector Support Review: Consultation and Next Steps”, from the Director of Education, Arts and Libraries to the Executive, 12th November 2003

Any person wishing to inspect the above papers should contact Karen Tyerman, Assistant Director, Education, Arts and Libraries, Chesterfield House, 9 Park Lane, Wembley, Middx HA9 7RW. 020 8937 3146. karen.tyerman@brent.gov.uk

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