



Executive
15th January 2007

**Report from the Director of
Housing and Community Care**

For Action

Wards Affected:
ALL

Allocation of Main Programme Grant – 2007/08

Forward Plan Ref:

1.0 Summary

- 1.1 This report makes recommendations for allocation of the Main Programme Grant (MPG) to local voluntary sector organisations for 2007/08.
- 1.2 For a number of years there has been very little change in the organisations receiving MPG funding, or in the amounts allocated to them. The allocation of MPG resources needs to be reviewed in order to ensure that in future years grant resources are used to deliver the council's identified priorities.
- 1.3 It is recommended that for 2007/08 there should be no open application process for the MPG with the current pattern of funding maintained for one year to allow time for the review of MPG funding to take place.
- 1.4 Organisations in receipt of MPG funding as at January 2007 will be invited to submit applications for renewal of funding, with clear detail on the activities, outcomes and outputs delivered through MPG funding to be set out in the application.
- 1.5 It is recommended that decisions on funding allocations for the MPG be delegated to the Director, Housing and Community Care for the 2007/08 funding period only. However, where the application form or any other information received as a result of monitoring of organisations during 2006/07

suggests that MPG funding to any organisation should be reduced or cut, a report will be submitted to the Executive with whom the final decision will rest.

2.0 Recommendations

- 2.1 That the Main Programme Grant is not advertised for the 2007/08 funding period, but that organisations currently in receipt of MPG funding are required to submit applications for renewal of funding at no more than the current level, clearly identifying the activities, outcomes and outputs to be provided with MPG resources.
- 2.2 That decisions on allocation of 2007/08 MPG funds are delegated to the Director, Housing & Community Care
- 2.3 That in cases where a reduction or cessation of funding to organisations is recommended by the Director, Housing & Community Care a report be submitted to Executive for decision.
- 2.4 That a review of future MPG funding be carried out in early 2007/08 and a report presented to Executive following the review which seeks decisions on the process for allocation of MPG funding for 2008/09 and subsequent years. The review will be subject to consultation with the voluntary and independent sector and will include the findings from the Overview and Scrutiny Task Group.

3.0 Detail

- 3.1 Brent provides funding to local voluntary sector organisations through the Council's Main Programme Grant (MPG). This is managed through the Voluntary Sector Team (VST) which has been located within the Housing & Community Care Department since summer 2006
- 3.2 A total of approximately £953,972 was provided in 2006/07 to 59 organisations which cover a wide range of activities. Around 75% of the money funds services that can be loosely described as relating to adult social care activities, with significant amounts of the remainder supporting work with children and smaller amounts relating housing, cultural and community safety issues. Details are attached in Appendix 1. A further £15,000 was provided for capacity building and training.
- 3.3 The VST also manages other grants on behalf of the council (e.g. Edward Harvist Trust) and provides support such as fundraising advice and capacity building support to local organisations
- 3.4 In addition to the MPG, Brent contributes £955,000 to the London Councils (formerly ALG) grants programme
- 3.5 Local organisations are invited to bid for annual MPG funding, usually in autumn each year. They are required to demonstrate how the funding requested contributes to achieving the council's priorities as set out in the

corporate strategy. Officers from VST summarise the bids assessing their strategic relevance and other factors before making recommendations on funding to the Executive. The whole process from advertising the grant to Member decision takes around 4 months.

- 3.6 Applications for MPG funding always exceed the amount of money available for allocation. For example, for the 2006/07 grant period, 105 applications representing bids for over £3.1million were received.
- 3.7 Invitations to bid for MPG funding for 2007/08 have not been invited this year. This is because the Corporate Strategy had not been finalised at the time when bids would usually be sought, and also because there is a need to review the council's approach to voluntary sector funding to address a number of issues.
- 3.8 Many of the organisations listed at Appendix 1 have received MPG funding from the council for a number of years. This 'historical' funding pattern presents a number of problems and issues:
- It is difficult for agencies not currently in receipt of MPG funding to access resources
 - The quality of the bids received is variable, and in some cases poor – they lack detail in terms of outcomes/outputs to be delivered, and relationships to corporate priorities are often vague
 - Rigorous monitoring and assessment of value for money is difficult to achieve due to the nature of the bids
 - Many organisations use MPG funding for 'core costs'. Reduction or removal of funding could destabilise the organisation and in some cases make them unviable
 - New organisations or projects cannot be funded through MPG unless difficult decisions are taken to address these 'historical' issues or increased resources are made available
- 3.9 Addressing the issues outlined above will take some time and require careful consideration of a number of issues in order to ensure that MPG funding is best used to deliver services which meet locally identified and agreed priorities whilst minimising disruption to local voluntary agencies and the services they provide.
- 3.10 It is therefore proposed that a thorough review of MPG funding be undertaken in the early part of 2007 which will explore options for the future. A report will be submitted to Executive before autumn 2007 which will make recommendations on changes to the MPG allocation processes, with these to be implemented for the application for and allocation of MPG funds for 2008/09.
- 3.11. Such a timescale will give time for local voluntary organisations to prepare for any changes resulting from the review and where necessary seek alternative sources of funding.
- 3.12. The review will take into account the findings of a previous review of voluntary

sector funding undertaken in 2003/04, as well as the findings of the Scrutiny Task Force Group looking at MPG funding which will begin its work in early 2007.

- 3.13 The review will need to consider future approaches to the council's engagement with the voluntary sector locally. The approaches to be considered could:
- Offer Voluntary and community groups more certainty and stability through the development of longer term relationships based upon contractual arrangements
 - Allow the Council to commission services from the voluntary sector in line with their priorities identified within the Corporate Strategy, commissioning strategies and service strategies and priorities
 - Allow the development of services based upon community need as opposed to historical legacy
 - Allow a greater focus on capacity building the voluntary sector through realigning the work of the VSU
 - Provide greater capacity to access more external funding in partnership with the Voluntary and community sector
 - Allow a greater emphasis on monitoring individual contracts and Grant Agreements
- 3.14 The review and identified future approaches to working with the voluntary sector will also need to recognise the valuable role the voluntary sector plays in the well being of our community and the importance of preventative strategies and early, pre-crisis, non-statutory intervention. As a Council we are committed to involving the voluntary sector as a matter of course in service planning, recognising the respective contributions of Health, Council and voluntary bodies and departments, and identifying and aiming to fill gaps in provision. The voluntary sector provides important outreach services. We recognise the contribution made by the voluntary and community sector in reducing Health inequalities across Brent's diverse communities, and the potential to do so to a greater degree within a proper, strategically planned approach
- 3.15 The review will need to involve substantial consultation with the voluntary sector agencies. The Voluntary Sector Forum, which next meets in March 2007, provides an ideal mechanism to do this.
- 3.16. Applications for MPG funding have not been invited for the reasons explained at 3.7. However, decisions still need to be made concerning allocation of MPG resources for 2007/08.
- 3.17 It is proposed that rather than openly advertise the MPG, a different approach is adopted for the coming year only, pending the review outlined above.
- 3.18 It is proposed that agencies in receipt of MPG funding as at January 2007 be invited to submit applications for renewal of their funding for 2007/08, but that no new bids are sought. Applications would need to identify clear activities, outcomes and outputs to be delivered with the MPG funding whilst also demonstrating their links to the new Corporate Strategy.

- 3.20 It is also proposed that, in order to process the applications as quickly as possible to meet the business and operational needs of voluntary agencies in view of the later start on the process this year, approval of MPG funding be delegated to the Director, Housing and Community Care rather than resting with the Executive. The Voluntary Sector team would carry out the same assessment process in respect of the applications as in previous years. This would shave considerable time off the decision making process. This delegation of powers would be for one year only.
- 3.21 However, in cases where the Director, Housing and Community Care considers there is good reason to reduce or cease funding to organisations it is proposed that the final decision should remain with the Executive. Reports would be prepared for Executive in these cases.
- 3.22 It is envisaged that any proposal to withdraw or reduce funding would be on the basis that 3 months notice of the change would be given to the organisation affected before it was implemented. This means that an organisation whose grant is to be withdrawn or reduced might continue to receive a grant for part of the 2007/08 financial year. Existing Standard Conditions of Grant aid would continue to apply to organisations in respect of the grant paid to them.
- 3.23 This approach would effectively result in a 'stand still' year in terms of MPG allocations. However, as there has been very little change for a number of years in the range of agencies funded, or the amounts allocated to them there would be little impact for either the local authority or the voluntary sector in 2007/08. It would, though enable work to begin as quickly as possible to develop and implement new and improved approaches to funding and working with the voluntary sector in Brent for subsequent years.

4.0 Financial Implications

- 4.1 The revenue budget for these grants is £973,051 (including the uplift for inflation applied to all council spending). The recommendations made in the report can be implemented within the available budget.

5.0 Legal Implications

- 5.1 The Council has power to make grants for a variety of purposes. 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 Contracts are generally subject to the requirements of the EU Public Procurement Regulations and the Council's Contract Standing Orders whereas grants are not and this will need to be taken into account in any proposals to move from grant to contract relationships with any voluntary bodies. Generally, a person or body receiving a grant cannot enforce the

payment of the grant by legal proceedings. There are also tax implications of a relationship being a grant or a contract

- 5.3 There is no legal difficulty with including in grant conditions outputs which an organisation must achieve in order to continue to receive instalments of grant payment. It is also consistent with a grant relationship to actively monitor the work of a voluntary organisation that is grant funded by the Council.

6.0 Diversity Implications

- 6.1 All organisations receiving MPG funding are required to provide copies of their Equal Opportunities Policy. These have been evaluated by officers to identify how each organisation will promote equality and eliminate discrimination
- 6.2 Given the demographic profile of the borough, a number of community specific projects based on identified need and Council priorities are currently in receipt of MPG funding. Due consideration has been given to ensure that a broad spectrum of projects are funded reflecting the very diverse service issues and needs within the borough. Equality and diversity issues are examined through the monitoring processes
- 6.3 The proposed review of MPG funding will need to consider diversity issues to ensure that the processes to be developed and implemented in the future do not disadvantage any groups or sections of the community, and that allocation of resources appropriately reflects and responds to the needs of Brent's diverse communities. An impact assessment will be undertaken of the proposals arising out of the review.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 There are no staffing or accommodation implications arising from this report

Background Papers

N/A

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