



**Executive**  
18<sup>th</sup> March 2008

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

Wards Affected:  
None

**Voluntary Sector Funding – Allocation of Main Programme  
Grant 2008/09**

Forward Plan Ref: H&CC-07/08-34

**1.0 Summary**

- 1.1 This report makes recommendations on the allocation of the Main Programme Grant (MPG) to local voluntary organisations for 2008/09.
- 1.2 A Scrutiny Task Group review of MPG funding was undertaken in 2007. This was as a result of decisions taken at Executive in January 2007 when it was agreed that applications MPG funding would not be openly advertised for the 2007/08 period, and that the review would identify ways to improve grant funding arrangements for future years. A specific issue to be addressed was that there had been very little change for a number of years in the organisations receiving MPG funding, and that this 'historical' funding pattern should change.
- 1.3 The Scrutiny Task Group review was reported to Executive in July 2007 and the recommendations were supported.
- 1.4 Key recommendations from the review included:
- consideration should be given to phasing the introduction of the proposed changes to the funding process over a period of up to three years and that no organisation that is currently funded has all of their funding withdrawn immediately, unless there are issues relating performance.

- the council should be more specific about what services it wants to fund from the Main Programme Grant and identify the outcomes and outputs it expects from the funding it provides. The council should allocate specific amounts of money for each priority
- That funding provided under the new funding process should be awarded for a period of three years, with service level agreements that are monitored annually prior to funding being released

1.5 This report makes a series of recommendations which will enable a wider range of voluntary organisations to receive Main Programme Grant funding whilst also delivering key issues arising from the scrutiny task group report

## 2.0 Recommendations

Members are asked to agree that:

- 2.1 Main Programme Grant Funding (MPG) be discontinued for organisations listed at Appendix 1, and that three months notice of withdrawal of funding be effective from the date of this Executive meeting
- 2.2, Transfer agencies from Main Programme Grant Funding to Edward Harvist Trust funding either in full or in part as detailed in Appendix 2
- 2.3 Subject to Full Council approving any amendments to the Constitution in relation to the powers of officers to award grants, the Edward Harvist Trust criteria be revised so that the ceiling for funding is raised to £7,000 per scheme, and further revised so that agencies can be funded in subsequent years.
- 2.4 That agencies not having MPG funding withdrawn or transferred to Edward Harvist Trust have their funding renewed at the same rate as in 2007/08 with no inflationary uplift, and that they are not required to submit formal funding applications, but will be required to sign funding agreements that clearly set out the activities and outcomes to be delivered. Details of relevant organisations are set out at Appendix 3
- 2.5 That a themed approach to funding be adopted for future years. Each theme would run for three years with funding agreed for this period subject to satisfactory performance and delivery. Themes to be identified by the Executive in advance of the annual MPG funding round
- 2.6 That applications for MPG funding totalling up to £123,877 be invited for 2008/09, to be available only to agencies not currently in receipt of MPG funding
- 2.7 That the funding described at 2.6 above be used for projects delivering priorities set out in the Corporate Strategy relating to young people, at a maximum of a full year equivalent of £25,000 per funded project

### 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) located within the Housing & Community Care Department.
- 3.2 A total of £961,347 was provided in 2007/08 to 57 organisations which cover a wide range of activities. A further £15,300 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 Brent contributed £955,000 to the London Councils grants programme in 2007/08 and this has fallen to £951,934 in 2008/09
- 3.5 In January 2007, the Executive agreed not to invite applications for MPG funding for 2007/08, but instead to continue funding organisations which had received the grant in the previous year. It was also agreed that a review of MPG funding would be undertaken during 2007 which would inform decisions on the allocation of MPG for future years
- 3.6 A key element of the review was to address and overcome the 'historical' pattern of funding which had developed over a number of years whereby there had been very little change in the organisations receiving MPG funding. Members were also keen to ensure that grant resources are used to deliver the council's identified priorities.
- 3.7 A Scrutiny Task Group review was undertaken during 2007 which included widespread consultation with local voluntary sector organisations and council officers, as well as examination of good practice from other authorities.
- 3.8 The Task Group review was reported to Executive in July 2007 which noted its recommendations. These included:
- 'consideration should be given to phasing the introduction of the proposed changes to the funding process over a period of up to three years and that no organisation that is currently funded has all of their funding withdrawn immediately, unless there are issues relating to performance.'
  - 'the council should be more specific about what services it wants to fund from the Main Programme Grant and identify the outcomes and outputs it expects from the funding it provides. The council should allocate specific amounts of money for each priority'
  - 'That funding provided under the new funding process should be awarded for a period of three years, with service level agreements that are monitored annually prior to funding being released'

- 3.9 Officers were asked to report again to Executive on proposals for allocation of the MPG, taking into account the Scrutiny Task Group recommendations, and in particular identifying ways in which resources could be 'freed up' from MPG funds to enable new projects and new organisations to be funded from this source.
- 3.10 A number of options for releasing MPG funds to become available for new projects have been explored by officers. This has been a lengthy and complicated task, especially as a key aim has been to make these resources available whilst not destabilising and currently funded groups.
- 3.11 A range of measures are proposed to ensure a reasonable proportion of MPG funding becomes available for new initiatives. These are:
- Cease funding to organisations which have significantly underperformed in 2007/08 as demonstrated through monitoring information. Details of the organisations affected and the reasons for withdrawing funding are set out in Appendix 1. The council is required to give 3 months notice of withdrawal of funding, so if this approach is approved, these organisations would continue to be funded up to the end of June 2008. – Total £47,343 for a full year and £35,507 in 2008/09 as £11,836 will be spent on funding organisations given notice
  - Transfer to Edward Harvist Trust (EHT) funding organisations, activities or projects which fit within the EHT criteria of 'non-recurring costs'. This would include activities such as summer playschemes, outings and events. Details of agencies which could be transferred to EHT funding are set out in Appendix 2. Total £37,534
  - Do not award inflationary uplift to agencies already funded – total £39,000

These measures would release a total of £123,877 of MPG resources for new initiatives in 008/09.

- 3.12 It must be noted that with regard to EHT funding, changes to existing criteria will be needed to effect these changes. The current upper limit for funding bids of £5,000 will need to be raised to £7,000. The criteria which exclude organisations from receiving EHT funding in successive years will also need to be removed.
- 3.13 In terms of allocating MPG resources in 2008/09 and in future years, the Scrutiny Task Group recognised that change should be spread over a number of years. They also stressed that funding should clearly be linked to identified council priorities, as well as reflecting strong views expressed by voluntary agencies that longer term funding agreements would be welcomed.
- 3.14 It is therefore proposed that a themed approach to funding be adopted. This would be introduced initially in relation to the resources for new initiatives in 2008/09, and the more fully from 2009/10 onwards. As illustrated in the table below (using indicative figures), themed funding would run for a three year period with the option of renewing or changing the theme after that time.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
Theme 1	£200K	£250K	£250K			
Theme 2		£200K	£250K	£250K		
Theme 3			£200K	£250K	£250K	
Theme 4				£200K	£250K	£250K
Theme 5					£200K	£250K
Theme 6						£200K
'Top-Slice'	£750K	£500K	£250K	£250K	£250K	£250K
<b>TOTAL</b>	<b>£950K</b>	<b>£950K</b>	<b>£950K</b>	<b>£950K</b>	<b>£950K</b>	<b>£950K</b>

This would offer stability to organisations with longer term funding assurances as recommended by Scrutiny Task Force, and would also reserve £250K for new or different initiatives. The lower allocated figure in the first year of any theme allows for 'start up and recruitment' periods. Introduction of this model in a phased and planned way would give time for MPG funded agencies not included in the 'themes' to seek alternative sources of funding. Themes would be chosen by Executive each autumn which would ensure clear links with corporate priorities, as well as giving organisations time to develop funding bids before allocation of resources.

- 3.15 With regard to the funding available for 2008/09, it is proposed that the £123,877 made available through the proposals set out at 3.11 above should be targeted towards delivering priorities relating to young people as outlined in the Local Authority's Corporate Strategy.
- 3.16 As noted in 3.11 above, any agencies having funding withdrawn will receive 3 months funding in the new financial year. This means that funding for new schemes in 2008/09 will only be available for 9 months in the coming year.
- 3.17 It is proposed that applications for these funds be invited from agencies not currently receiving MPG funding, and that each application be restricted to a maximum of a full year equivalent award of £25,000.

It is not intended that currently funded agencies would be required to submit formal funding bids relating to the MPG. However, those organisations would be required to complete and sign funding agreements which clearly set out the activities to be funded and the outcomes to be achieved. These will build on similar agreements introduced last year, and will take into account any issues arising from monitoring information. Organisations would, in most cases, receive the same level of funding as in 2007/08, with no inflationary uplift. The approach of not awarding inflationary uplift reflects the aims and requirements of the Gershon efficiency savings drive, and is also consistent with the approach being taken in West London with providers of residential, nursing and supporting people services

- 3.18 There is a small number of organisations who would receive reduced levels of MPG funding as an element of the services they provide would be transferred to Edward Harvist Trust (EHT) funding. There are others who would receive no MPG funding as the whole service is to be transferred to EHT. Details are set out in Appendix 2. In these cases the total funding received from EHT or EHT and MPG would be equal to the sum received in 2008/09, again with no inflationary uplift.

#### **4.0 Financial Implications**

- 4.1 The main programme budget will increase from £961,347 to £1,000,347 in a full year with £47,343 of resources released by no award of an inflationary uplift £39,000, ceasing funding certain groups from June 2008 and the switching of £37,534 of grants to the Edward Harvist Trust. This will allow £123,877 of new schemes to be funded for 9 months in 2008/09 and fully funded for 2009/10.

#### **5.0 Legal Implications**

- 5.1 The Council has powers under s137 Local Government Act 1972 and s2 Local Government Act 2000 to make grants to voluntary organisations.

The local criteria against which applications for funding from the Edward Harvist Trust are considered was agreed by the Executive on 13<sup>th</sup> September 2006. The Executive will need to delete criteria (h) which states "In order to encourage new applications organisations who have received Edward Harvist funding within the last 12 months i.e. funded in the last financial year will not be considered for the Fund.

The local criteria for the Edward Harvist Fund also state that the maximum grant payable is £5,000.00 and this report proposes to raise this to £7,000. Currently the Constitution authorises officers to approve grants up to £5,000. The Constitution would need to be amended to allow officers to authorise grants up to £7,000 either (a) in relation to grants in respect of the Edward Harvist Charity or (b) in relation to all grants. Approval could be sought at the next meeting of Full Council.

- 5.2 The Agencies who will be seeking funding via the Edward Harvist Charity will need to ensure firstly that they fall within the charitable objects of the Edward Harvist Charity and secondly that they meet the remaining local criteria agreed by the Executive on 13<sup>th</sup> September 2006, for example that the agency must contribute at least 30% of the funding towards the proposed funding.

In making its decision as to granting or withdrawal of support the Executive should be mindful of its general duty in relation to the Disability Equality Duty ("DED") contained in s49A of the Disability Discrimination Act 1995. It is that every public authority shall in carrying out its functions have due regard to the need to:

- Promote equality of opportunity between disabled persons and other persons,
- Eliminate discrimination that is unlawful under the Act
- Eliminate harassment of disabled persons that is related to their disabilities
- Promote positive attitudes towards disabled persons
- Encourage participation by disabled persons in public life; and
- Take steps to take account of disabled persons' disabilities, even where that involves treating disabled persons more favourably than other persons

To provide guidance on the duty there is a Statutory Code of Practice "The Code".

The general duty is not absolute but it does require authorities in respect of all their functions to give due regard to disability equality. In all their decisions and functions authorities should give due weight to the need to promote disability equality in **proportion** to its **relevance**.

The duty does not require a Council to continue to fund an organisation for disabled which has failed to comply with the conditions of a grant.

## **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

## **7.0 Staffing/Accommodation Implications (if appropriate)**

7.1 There are no staffing or accommodation implications for the local authority

## **Background Papers**

Voluntary Sector Funding – A report of the Overview and Scrutiny Task Group  
– May 2007

## Contact Officers

Mike Bibby , Strategy Planning and Performance Manager:

[Mike.bibby@brent.gov.uk](mailto:Mike.bibby@brent.gov.uk)

Tel 020 8937 4164

Beverleigh Forbes, Acting Manager for Voluntary Sector Team

[Beverleigh.forbes@brent.gov.uk](mailto:Beverleigh.forbes@brent.gov.uk)

Tel 020 8937 4163

Martin Cheeseman, Director of Housing & Community Care

[Martin.cheeseman@brent.gov.uk](mailto:Martin.cheeseman@brent.gov.uk)

Tel 020 8937 2341

Housing and Community Care, 6<sup>th</sup> Floor, Mahatma Gandhi House, Wembley Hill Road, Wembley, Middlesex