



Executive
17 November 2008

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

Wards Affected:
None

Process for Allocating Main Programme Grant 2009/10

Forward Plan Ref: H&CC-08/09-15

1.0 Summary

- 1.1 This report concerns the allocation of the Main Programme Grant (MPG) to voluntary organisations and recommends a 'theme' for which a proportion of the grant should be allocated next year and in following years.
- 1.2 This report seeks agreement on delivering the proposed changes to the MPG in order that a new funding process can commence from 2009/10.

2.0 Recommendations

Members are asked to:

- 2.1 Select Children and Young People's services as the theme for funding from the MPG for 3 years commencing April 2009/10.
- 2.2 Allocate £260,231 of the MPG to the proposed theme and apply an open bidding process to enable applications from new organisations.
- 2.3 Reduce or discontinue the grant of £127,815 to 13 current organisations that provides services to Children and Young People. These organisations will be expected to apply for the funding available under the new theme. Details of these groups are listed in **Appendix 1**.
- 2.4 Renew funding to existing organisations, which are not affected by the proposed theme at the same level as in 2008/09. These organisations are

listed in **Appendix 2**, and funding will be allocated for one year commencing April 2009.

- 2.5 To award the unallocated balance of £44,326 to fund the 3 months notice period for organisations whose grants have been withdrawn, i.e. current organisations that are eligible for the new fund but choose not to apply or organisations that apply but are unsuccessful in their bid.

3.0 Detail

Background

- 3.1 The May 2007 Overview and Scrutiny Group review of voluntary sector funding agreed by the Executive in July 2007, recommended
- That the MPG should be made more accessible to organisations not currently funded by the Council
 - That future funding from the MPG should be linked to corporate priorities
 - That we should identify ways of funding voluntary sector organisations for periods longer than a year
- 3.2 Following this, on 18th March 2008 the Executive agreed to release £135,000 from the MPG in 2008/09 to fund organisations that previously did not have access to MPG funding. Subsequently funding was awarded to 13 new organisations, which provide services for children and young people. The grant commenced in October 2008 and will be for a period of 6 months.
- 3.3 At the same meeting, Members also agreed changes to the future allocation of the MPG from 2009/10, which were to:
- Allocate a proportion of the MPG (approx. £250,000) to a specific theme from the corporate strategy, ensuring future funding is linked to council priorities.
 - This funding to be available to currently funded, as well as, organisations that previously did not have access to Council funding
 - That funding is awarded to successful organisations on a 3 year basis
- 3.4 We anticipate that this last change will introduce more funding stability to the voluntary sector, provide for efficiencies, as they will not have to bid on an annual basis.

Selecting a Theme for the New Process

- 3.5 As stated above, the Scrutiny Task Group Review recommended that future allocation of resources from the MPG should be made on the basis of corporate priorities, and that the Council should specify the services it wants to fund each year and identify the outcomes and outputs it expects from the funding it provides.
- 3.6 The Council's priorities can broadly be categorised as **Crime, Services to Young People, Regeneration and Sustainability**. It is proposed that future

funding from the MPG will be linked to one of these initiatives or themes each year starting 2009.

- 3.7 Approximately £250,000 is needed to set up this new funding programme. With regard to the funding available, Members should note that £133,006 is already available from the money awarded to new projects in 2008/9. This money was awarded in September 2008 to organisations on the basis that it would only be available for 6 months and will end in March 2009.
- 3.8 With regard to the balance, it is proposed that this is found from the MPG currently allocated to organisations. Currently funded organisations provide services in each of the 4 categories i.e. Crime, Services to Young People, Regeneration and Sustainability, and **Appendix 3** shows the type of service and the level of funding awarded to these groups within each category.
- 3.9 A summary of the information is below however Members should note that some organisations provide services in more than one category.
- £67,768 is allocated to 3 organisations in whole or in part providing **crime** prevention services
 - £260,821 is allocated to organisations in whole or in part providing services to **children and young people**. This includes £127,815 to 12 existing organisations and the £133,006 that will be added from the funding awarded to new organisations for the last 6 months of 08/09.
 - £273, 815 is allocated to 23 organisations in whole or in part to supporting the **regeneration** programme in Brent
 - £414,148 is allocated to 16 organisations in whole or in part to projects that will enable and **sustain** vulnerable people to live independently in the community
- 3.10 Based on the above it would appear three themes i.e. Children and Young People, Regeneration and Sustainability would release the funding required for the new process.
- 3.11 These themes will either free up a large proportion of the money required or provide the total budget for the new process. However if Members decide to choose one of these they should note 2 themes i.e. Regeneration and Sustainability would provide more than the funding required and may result in up to 25 out of the 48 currently funded organisations having their funding reduced or withdrawn. Choosing these options would have significant implications and may destabilise a large number of organisations that depend on Council funding.
- 3.12 Officers are therefore recommending the selection of Children and Young People Services as the theme for funding in 2009/10. Ceasing the funds to groups providing services within this theme will release the funds required for the new funding process.
- 3.13 Assuming members choose the proposed theme, organisations currently providing services within this area will be required to re-submit bids for the funds available for the theme and their existing funding will end. This will

affect 12 organisations. Details of these organisations and their services are set out in **Appendix 1**.

- 3.14 A full predicted impact assessment on groups whose funding will be affected (completely or in part) because of the chosen theme is being undertaken and the outcome will inform the criteria for the new programme. Those organisations that choose not to apply or are unsuccessful in their bids for the new funds will be given 3 months notice of withdrawal of funding. This will enable them to operate up to the end of June 2009. Officers will also provide assistance to enable these organisations to access alternative funding sources.
- 3.15 It is proposed that an open bidding process will be used for the new fund and applications will be invited from organisations currently in receipt of the MPG, as well as new organisations not in receipt of funding. It is further proposed that the new organisations funded for the last 6 months in 2008/09 will also be invited to re-apply giving them a chance to establish their projects in this area.
- 3.16 Applications will only be considered for projects that are for three years or a shorter period, and organisations will be asked to demonstrate a robust exit strategy to take into account the ending of Council funding.
- 3.17 It is proposed that bids made under this funding process will be restricted to a maximum of £25,000 per organisation per year, providing a total grant of up to £75,000 over the lifetime of the programme.
- 3.18 Officers will report to the Executive in February 2009, with details of the application process and for decisions regarding the allocation of the fund.

Process for Allocating the Balance of the MPG

- 3.19 Assuming Members choose the proposed theme, it is proposed that funding to existing organisations will remain at the same level as in 2008/9. The balance from the MPG budget after funding is allocated will allow for this approach and will ensure that these organisations continue to operate during the transition to the new programme.
- 3.20 Organisations that will have their funding renewed are attached in **Appendix 2**. These organisations will be required to submit applications for renewal of funding, clearly stating the activities, outcomes and outputs to be provided with the MPG. Renewal of funding to these groups will take into account any issues arising from their performance over the last 9 months and where there are reasons to significantly reduce or cease funding, officers will report the matter back to the Executive for a decision. Assistance will be available to groups to identify alternative funding where Council funding ceases.
- 3.21 It is proposed that funding to these organisations will be available for one year only and no inflation uplift will be offered. Decisions regarding the future funding for these groups will be made when a theme for the second year is agreed. Groups will be encouraged to develop alternative funding sources.

Future Allocation of Main Programme Grant

- 3.22 Assuming the recommendations in this report are approved, it will form the beginning of the new funding process where different themes will be chosen each year. The proposed process is illustrated in **Appendix 4**,
- 3.23 It is proposed that the theme will be chosen each year by the Executive from the categories/priorities set out in Section 3.6 of this report. Each year funding will cease to groups providing services within the selected theme and these groups will be expected to re-apply for the new 3-year funding programme.
- 3.24 This proposal will enable a gradual shift to the new funding programme without any adverse effect on currently funded organisations. In addition, it will overcome the historical pattern of funding which has developed with the MPG over a number of years, and will enable funding for new groups and new projects
- 3.25 Funding will be limited to a maximum of 3 years after which time organisations will be ineligible for funding. During the funding period, officers will provide the necessary support to ensure groups are able to access alternative sources of funding to continue their projects when the grant expires.

4.0 Financial Implications

- 4.1 The estimated MPG budget for 2009/10 (including uplift for inflation of 2%) is £2,007,136. We estimate that a payment of £951,551 will be made from this budget to the London Councils Grant Programme.
- 4.2 Based on the proposals in this report the table below shows how the current resources will be allocated.

Main Programme Grant Budget 09/10	2,007,136
• Less London Council allocation for 09/10	951,551
• Less Main Programme Grant to new funding theme 09/10 Currently funded groups – £127,815 New groups with 6 months funding – £133,006	260,821
• Less allocation to currently funded groups not within the theme (at the same level as 2008/09)	750,438
Balance	44,326

- 4.3 The balance of £44,326 to be paid to organisations that have their funding withdrawn and will fund the 3 months notice period. After this process, any further balance will be allocated to the new funding programme.

4.4 The recommendations made in this report can be implemented within the available budget.

5.0 Legal Implications

5.1 As a public authority, the Council has general duties to promote equal opportunities relating to race, disability and gender and to remove discrimination. These duties are set out in the:

- Disability Discrimination Act 2005 (DDA 2005);
- Equality Act 2006;
- Equal Pay Act 1970;
- Race Relations (Amendment) Act 2000 (RRAA 2000); and
- Sex Discrimination Act 1975.

5.2 The DDA requires public authorities, when considering disabled people, to promote positive attitudes towards disabled people and take positive steps, even if that involves treating disabled people more favourably than others. The Council is obliged to have regard to the statutory Code of Practice.

The core general duties are similar for gender and race i.e.

- to promote equality of opportunity; and
- to eliminate harassment and unlawful discrimination.

5.3 The Race Relations Act 1976 (as amended) place a statutory duty on public authorities to work to eliminate unlawful racial discrimination, and to promote race equality in all its functions.

There are three complementary parts to the general duty:

- eliminating unlawful racial discrimination
- promoting equal opportunities
- promoting good relations between people from different racial groups.

5.4 The Code of Practice issued under s.71C Race Relations Act 1976 (as amended) is relevant and the council must have regard to it.

5.5 Decision to award a grant is discretionary. The Council's discretion must not be fettered by previous commitments they may have given and it should make its decisions in the light of present circumstances.

5.6 The Council is bound to act reasonably. In other words to take into account relevant considerations and to ignore irrelevant considerations, and should balance the needs of the community and their fiduciary duty towards local taxpayers.

5.7 The Council has a range of specific statutory powers to make grants to the voluntary sector. The Council may also make grants using the general power under section 2 of the Local Government Act 2000 to do anything that is likely

to promote or improve the economic, social or environmental well being of the area.

6.0 Diversity Implications

- 6.1 Implementing the proposed changes to the MPG Funding Process will have a positive impact on user and provider diversity issues. It will result in establishing a strategic alignment between the councils ability to address diverse community needs in keeping with identified priorities thereby complementing and adding value to current service provision.
- 6.2 Officers are engaged in undertaking a full Predictive Equality Impact Needs Assessment of the proposed changes and its effect on promoting equal opportunities to respective user and provider groups. The EINA will focus on considering the equalities relevance in respect of the themed approach to funding and its potential impact on service users and providers from across the voluntary sector.
- 6.3 Projects thus recommended for funding will reflect the diverse needs of service users across respective themes with due consideration being given to ensure that the projects meet the priorities set out in Brent Children and Young People's Plan (2006/09) and other respective strategies.
- 6.4 In undertaking this EINA officers are mindful of the need to ensure no organisation is disadvantaged by the new process, and where organisations fail in their bid for the new fund or decide not to apply, they will be encouraged and supported to access alternative sources of funding to continue their services.
- 6.5 Consultation with currently funded organisations has been ongoing since 2006 when the Scrutiny Task Group Review first started. Discussions with Voluntary Sector representatives were undertaken as part of the review and overall there was a consensus that there was a need to change the current process for allocating the Main Programme Grant.
- 6.6 The findings and recommendations from the review have been widely publicised and on 27th June 2007, Members of the Task Group met with organisations at the Voluntary Sector Liaison Forum and discussed their proposal to change the funding process. In addition, Officers have had discussions with individual organisations during their annual monitoring visit.
- 6.7 The proposals to change the funding process will make funding fairer and more easily accessible to voluntary organisations. A wider range of voluntary sector organisations will have access to the fund, particularly organisations that work with under-represented or hard to reach groups.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 There will be no staffing or accommodation implications resulting from this report.

Background Papers

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

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