

Subject: Grants Funding Policy – Procedure and Terms of Reference
Status: For Publication

Grants Funding Policy – Procedure and Terms of Reference

Report to:

Date:

Policy Overview and Scrutiny
Cabinet

8th March 2011
17th March 2011

Report of: Communities Manager

Portfolio Holder: Leader of the Council

Key Decision: No

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

- 1.1 The report is written in line with the recommendation made by Cabinet on 26th January 2011. That the Communities Manager present to Overview and Scrutiny Policy proposals for the development of robust, open and transparent criteria including guidance for applicants, application form, scoring matrix and evaluation panel for the awarding and distribution of grant funding.
- 1.2 That a revised grants policy incorporating the views of Overview and Scrutiny Policy be present to Cabinet on 17th March 2011.

2. CORPORATE PRIORITIES

- 2.1 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.

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- 3.2 Delivery of grants to third sector bodies not in accordance with the grants criteria could impact on the Council's performance.
- 3.3 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.
- 3.4 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.

4. BACKGROUND AND OPTIONS

- 4.1 It would be difficult to disagree that Rossendale is facing a different financial landscape than when the Council developed arrangements for the distribution of 'Grants to Outside Bodies' back in 2005.
- 4.2 The Council's Medium Term Financial strategy highlights the need to find £2.6 - £3 million of savings over the next three years which undoubtedly presents a challenge to the Council that is unprecedented. This clearly highlights a real challenge but it also presents the Council with an opportunity to consider how going forward it supports the Rossendale Forum, Neighbourhood Forums and the Third Sector.
- 4.3 The present 'Grants to Outside Bodies' policy introduced in 2005 allowed organisations/groups the option of applying for two types of fund – a 'One Year-One off Grant' or a 'Three Year Grant'.
- 4.4 Going forward it is an aspiration of Rossendale Borough Council to move towards a process of allocating funding which commissions services that deliver against the priorities identified within the Council's Corporate Plan.
- 4.5 The Council also wants to show leadership and encourage partners in the public, private and voluntary sector to adopt the same principle when assessing how we jointly resource the delivery of the priorities within the Neighbourhood Forum Action Plan and Rossendale Forum Issues Groups.
- 4.6 These priorities are set through robust community research and engagement and the utilisation of qualitative and quantitative data. This data can be sourced through research tools like mosaic, participatory appraisal/consultation and Joint Strategic Needs Assessments.
- 4.7 On 26th January 2011 Cabinet recommended that Council amalgamate its funding pots including Grants to Outside Bodies grant, Neighbourhood Forum Community grant, Neighbourhood Forum Events grant and the 20% Discretionary Relief the Council provides to those charities who are awarded

National Non Domestic Rating Relief. The Council amalgamated these grants into two distinctive funding streams:

- A three year or a one year 'Rossendale Council Grant' giving organisations / groups the opportunity to demonstrate that they provide a service or function that delivers against the priorities in the Council's Corporate Plan and/or the Neighbourhood Action Plans
- A Neighbourhood Forum fund that gives members of the Forum the opportunity to allocate resources to either a project that assists in the delivery of priorities in the Neighbourhood Forum Action Plan or a grant to a local community group / organization.

4.8 The level of grant funding requests the Council receives can range from under a £1,000 to provide equipment for art classes, kick-start the setting up of a community group or run an event to more significant funding above £10,000 to deliver services that provide financial, debt and legal advice.

4.9 Consideration has therefore been given to developing criteria, the design of an application form and scoring matrix that recognises the capacity of an organisation/group, the complexity of the project being delivered and level of funding being requested.

4.10 In assessing how the Council evaluates funding support to the Third Sector it needs to demonstrate robust and rigorous governance arrangements to ensure that anyone applying for funding is judged against the principle of providing value for money.

Rossendale Council Grant

4.11 Subject to the recommendation of Cabinet on 17th March 2011 the Rossendale Council Grant will be opened for applications from 21st March 2011. It is proposed that applicants will be able to apply for a three year grant or one year one off grant.

4.12 The opening of the grants process will be launched with the issuing of a Rossendale Council Grant Application Process briefing paper (see appendix 1). The briefing paper will be distributed through the usual community networks that have proven successful and will invite applicants to indicate the level of funding they intend to apply for either up to a £1,000 or over £7,000.

4.13 Dependent on the size of funding requested applicants will receive:

- Grant Guidance & Criteria Form A, B and C (see appendix 2)
- Application Form A, B and C: (see appendix 3)

4.14 All applications that either requests a three or one year grant will be scored against a matrix that is weighted in favour of those applications that offer robust

evidence against the questions asked in the application form. The maximum score that can be achieved is 100.

- 4.15 It is proposed that the Rossendale Council Grant will be assessed by a panel of Councillor's incorporating the Portfolio as Chair, a proportionate balance of Councillors that reflect the balance of the Council and two co-opted members of Overview and Scrutiny to act as independent observers. Officers will be on hand to facilitate, provide advice and guidance.
- 4.16 All applications, irrelevant of the amount of funding requested will be placed in numerical order against their score (0 – 100). The evaluation panel will consider those applications that score the highest and will allocate funding as they deem appropriate.
- 4.17 There are a number of possible scenarios that may happen as a result of this evaluation process which are listed below:
- If all the funding is allocated in 2011 – 2012 (year 1) to those applications requesting a three year grant, the application process will be closed for years 2012 - 2013 (year 2) and 2013 – 2014 (year 3)
 - Funding allocated to one year grant applications and grant not awarded in 2011 – 2012 will result in the process reopen in 2012 - 2013 and the same principle will apply in 2013 - 2014
 - Should an organisation/group that has received transition funding be successful in securing three year funding from Q2 (July 2011) an adjustment will be made in the grant awarded for 2011 – 2012 to take account of the amount awarded in Q1
- 4.18 Cabinet on 26th January 2011 asked that consideration be given to developing a criteria to asses and determine applications for discretionary rate relief. At the Cabinet meeting there was a strong request from members of the community that it would be helpful if any new grant allocation process was introduced as soon as possible to allow community groups/organisations to forward plan.

Neighbourhood Forum Grant

- 4.19 The grant to the Neighbourhood Forums will be divided proportionately across the four Forums dependent on population based on the following percentage:
- | | |
|---------------------------------------|-------|
| - Whitworth | 11% |
| - Bacup | 21.6% |
| - Haslingden, Helmshore and Edenfield | 31.1% |
| - Rawtenstall | 36.3% |
- 4.20 It is proposed that the financial allocation received by each forum will allow for two types of funding application:

- Funding to allowing community groups / organisations to apply for a Neighbourhood Forum grant of up to £500
- Funding to support the delivery of projects identified as priorities within the Neighbourhood Forum Action Plan

4.21 Unlike the Rossendale Grant Budget, Neighbourhood Forum funding can be issued throughout the year with any under spend carried forward into subsequent years. There will be two separate application process.

- Neighbourhood Forum Grant application form (see appendix 4)
- A project application form based on the same criteria as the Performance Reward Grant (see appendix 5)

4.22 Each application will be considered by a funding panel of the Neighbourhood Forum consisting of 3 Councillors. The funding panel will submit their preferred recommendation/s to the full membership of the Neighbourhood Forum for ratification.

4.23 Should a consensus of the Forum membership not be reached the Chair will seek a decision from the Elected Members on the forum.

Timeline

Rossendale Council Grant

4.24 The draft criteria, application forms, guidance notes and scoring matrix were made public on 1st March 2011 for presentation Overview and Scrutiny Policy on 8th March 2011.

4.25 Following feedback from Overview and Scrutiny a report will be taken to Cabinet on 17th March 2011.

4.26 Once a fresh procedure is agreed the 'Rossendale Council Grant' funding pot will be opened after the 17th March 2011 inviting community groups and organisations to submit an application with a closing date of noon on 18th April 2011.

4.27 Subject to the availability of Councillors it is hoped that a grants evaluation panel will meet week beginning 10th May 2011.

4.28 The recommendations of the grants evaluation panel would be submitted to Cabinet on 29th June 2011 for ratification and those successful applications will receive funding from 1st July 2011.

4.29 It is important to note that should an organisation/group in receipt of transition funding be successful in securing a grant from Q2 (July 2011) an adjustment

will be made in the grant awarded for 2011 – 2012 to take account of the amount awarded in Q1.

Neighbourhood Forum Grant

- 4.30 The new process for issuing Neighbourhood Forum funding is outlined at point 4.18 – 4.22 will start on 1st April 2011.

Grants Monitoring

- 4.31 Clear outcomes will be confirmed with the allocation of the grant which will be monitored to ensure that all organisations spend the funds according to what they stated in their application form. All grant applicants will be required to complete an end of year monitoring form. If there is underachievement a review of the funding awarded will be undertaken which may result claw back.
- 4.32 Successful applicants will also need to attend monitoring events where appropriate, they may be subject to a number of visits from the Communities Team and they will need to submit regular updates.
- 4.33 These conditions will be outlined in the grants agreements signed by organisation in receipt of grant funding. The information provided enables the Council to build a picture of the overall impact of the Grants Policy on the people of Rossendale.
- 4.34 By increasing our understanding of what works well and what has been less successful, we will be better placed to assess future applications and advise applicants on how their bid can be improved and match best practice.

Peer Review/Consultation

- 4.35 An invitation was issued to all those organisations/groups who have received funding from the Council and put out through the community database. We asked for any comments or suggestions they may have in relation to the development of the grant funding process. Suggestions were sought on the format, wording of the criteria, application forms and guidance notes. The response and comments received from this invitation was both productive and positive and has resulted in the development of the documents attached within the appendices.
- 4.36 In addition to the above consultation we asked Help Direct and Burnley Borough Council to do a peer review.
- Help Direct assisted with ‘a walk through’ the process from the perspective of a community group wishing to make an application
 - Burnley Borough Council assisted with a traditional peer review to test the strengths and weaknesses of the process
- 4.37 In terms of the ‘walk through’ the feedback was very positive. Help Direct provided some helpful pointers particularly with the use of terminology and plain

English. Burnley Borough Council commented that the structure we have chosen looked clear and was easy to understand. A comparison was also undertaken to assess the questions addressed in the application form. It is pleasing to feedback that there were many similarities.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

- 5.1 Any financial implications arising from the report and its recommendations will be limited to agreed budget resources.

6. MONITORING OFFICER

- 6.1 The Constitution will need to be updated as a consequence of the changes outlined in this report.

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

- 7.1 No Human Resources implications arising from the report.

8. CONCLUSION

- 8.1 The Council recognise the invaluable contribution that the voluntary and community sector makes to society in Rossendale and how social enterprise can make a significant difference to the population of the Borough.
- 8.2 Rossendale's third sector includes a wide range of organisations working to achieve a variety of outcomes. The need for the Council to demonstrate robust, open and transparent criteria including guidance for applicants, application form, scoring matrix for the awarding and distribution of grant funding is essential. This refreshed approach to evaluating, determining and issuing grant funding will provide that reassurance.
- 8.3 As with previous years the Council expects that the level of applications and the amount of funding requested will be significantly higher than the amount of funding available so the competition for funding will be intense. The new grant criteria will ensure that the Council's finances demonstrate value for money.

9. RECOMMENDATION(S)

- 9.1 That Policy Overview and Scrutiny recommend that Cabinet adopt the revised grant allocation process.
- 9.2 That the Policy Overview and Scrutiny Committee recommend to Cabinet that any further minor amendments to the grants process, including amendments to the Constitution be delegated to the Director of Customers and Communities and Portfolio Holder.

There has been a clear request from community groups to ensure that a new grants application process and criteria is in place for 2011 – 2012 Q2 (July 2011) as highlighted at point 4.18.

9.3 It is therefore recommended that discretionary rate relief be awarded from the Rossendale Council Grant to the 40 plus community groups/organisations at the present value of £25,900 for 2011 – 2012.

9.4 That a revised protocol for allocating discretionary rate relief is reviewed in 2011 – 2012 for introduction in 2012 – 2013.

10. CONSULTATION CARRIED OUT

10.1 A letter was sent to all groups / organisations in receipt of grant funding and issued through a community data base. We asked for any comments or suggestions they may have in relation to the format and wording of the criteria, application forms and guidance notes.

10.2 An independent review was conducted by Help Direct and Burnley Borough Council.

10.3 Senior Management Team.

10.4 Portfolio Holder.

11. COMMUNITY IMPACT ASSESSMENT

Is a Community Impact Assessment required Yes

Is a Community Impact Assessment attached No

12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached No

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Background Papers	
Document	Place of Inspection
Rossendale Council Grant Process Form	<i>Appendix 1</i>
Grant Guidance Notes and Criteria	<i>Appendix 2</i>
Rossendale Council Grant Application Form	<i>Appendix 3</i>
Grants application form Neighbourhood Forum Grants Policy and Guidance Notes	<i>Appendix 4</i>
Expression of Interest Form Project Funding Project funding Business Case Template	<i>Appendix 5</i>