

Report to: Executive Board 19 August 2002

**FUTURE GRANTS TO VOLUNTARY & COMMUNITY ORGANISATIONS**

<b>Report of:</b>	<i>Neighbourhood Renewal Business Unit.</i>	<b>WARDS AFFECTED</b> <i>All</i>
<b>Report Author:</b>	<i>Nocola Harrison &amp; Val Johnson</i>	
<b>Date Written:</b>	<i>5 August 2002</i>	
<b>Lead Member</b>	<i>Councillor Christian</i>	
<b>Responsible:</b>		
<b>Overview and Scrutiny Committee responsibility:</b>	<i>Finance &amp; Performance Monitoring</i>	
<b>Key decision:</b>	<i>Yes as affects several wards</i>	
<b>SUMMARY AND RECOMMENDATIONS</b>		
<p>The Finance &amp; Performance Monitoring Overview &amp; Scrutiny Committee has been reviewing the grants to voluntary &amp; community groups grants process. This report sets out the process of the review and the recommendations that Finance &amp; Performance Monitoring Overview and Scrutiny Committee have made to the Executive Board.</p> <p>The Port-folio Holder has indicated that she does not agree with all of the recommendations listed in the report and in particular has expressed concern about the arrangements for partnership agreements.</p> <p><b>Social, Financial and Staffing Implications.</b> The report has financial, staffing and social implications. Grant Aid invests over £1.5 million in community activities &amp; services provided by voluntary and community groups in the City. Grant Aid contributes towards salary costs in some organisations. Through partnership with the voluntary / community sector, grant aid assists the Council to meet its strategic aims, particularly strengthening local communities, reducing poverty and inequality &amp; Improving the physical environment.</p> <p><b>Recommendations</b> Executive Board is asked to consider the recommendations listed in paragraph 4.</p>		

## 1. Background

1.1 In March the Executive Board asked for a review of the current grants process to voluntary and community groups. The Finance & Performance Monitoring Overview and Scrutiny has undertaken the review. The original brief for the grants review was to look at the future process concentrating on:-

- a) Criteria for accepting or rejecting applications
- b) Decision making process
- c) Administration of the process
- d) Monitoring & delivery of grants
- e) Resources required for future grants process

1.2 Two reports have been considered by the Finance & Performance Monitoring Overview and Scrutiny Committee, the first report outlined the current grants process and options for consideration. The following points were made:

- a) Local councillors had knowledge of the effectiveness of organisations in their areas.
- b) Independent criteria for social need were required e.g. using deprivation data.
- c) Area committees could concentrate on the detail of the applications - this would be difficult for the Executive Board in view of the volume of business transacted by the Executive Board.
- d) Organisations changed over time and it was important not to rely on historic data.
- e) Area committees should be consulted on applications
- f) Voluntary organisations in receipt of grant-aid should be set targets and value for money should be monitored.
- g) Voluntary organisations should be encouraged to obtain funding from sources other than local authorities to reduce dependence on local authority funding.
- h) Partnership agreements should be time limited *but renewable*.
- i) The importance of monitoring whether the financial support had been spent in accordance with the application for grant aid was emphasised.
- j) The impact of reductions in grant-aid should be reviewed.
- k) The appointment of an external funding officer should be considered.
- l) Market rent for properties occupied by voluntary organisations should be used so that the real cost was known although "market rent" might need to be qualified to reflect the current particular use of the land/property

- 1.3 The recommendations from this meeting of the Finance & Performance Monitoring Overview and Scrutiny Committee are as follows:
- (i) to appoint the Chair (Councillor Campbell), Councillors Stannard and Woodin (substitute Councillor Muir if Councillor Woodin were unable to participate in the work) to work with the Grants Officer on developing:
    - a) workable options, including the feasibility of combining options 1 and 2.
    - b) a policy on how rents as part of the grants process should be handled'
  - (ii) to consult with the voluntary/community sector and area committees on options 1 and 2 (combined) but not to consult on option 3.
  - (iii) to agree to recommend that consideration should be given to appointing an external funding officer to enable more effective use of external funding opportunities to be made.
  - (iv) to recommend that use of the GIFTS system should be discontinued.
  - (v) to invite Councillor Christian to the meeting when the Committee next considers this issue.

## **2. Consultation**

- 2.1 The consultation was carried out with a cross section of 300 community and voluntary organisations. There was a consultation meeting with a voluntary organisation run by people with learning difficulties . The Councils six Area Committees were consulted on the grants review during the consultation period, along with Oxford Community Legal Services Partnership which is a network of local legal services providers. A summary of the consultation responses are set out in the report which went to Finance and Performance Overview and Scrutiny Committee on 18<sup>th</sup> July and which is attached for information.

## **3. The proposed process**

- 3.1 Appendix 1 of the attached report illustrates how the grants process would look taking on board the views which have emerged from the consultation. It involves a two-stage assessment process, stage one would filter out ineligible, incomplete or late applications and would inform the Executive Board of the level of requests. At this stage the Executive Board would need to confirm the overall amount of budget available for grants to voluntary & community groups, and allocate

ringfenced amounts based on partnership commitments, area committee grants budget and amounts of grants allocated to each theme. This amount would have to be safeguarded against cuts that may be required further down the budget setting process.

- 3.2 Stage two would sort applications by theme and distribute the applications to the Business Units for scoring and further assessment. The applications could either be sorted on a high medium or low basis or a recommended grant amount fixed. The grants officer would then collate the report which would be considered by Executive Board for city wide / partnership grants or Area Committees. Monitoring and evaluation of grants awarded would be the responsibility of the Business Units although the budgets would be held centrally in the Neighbourhood Renewal Unit to review / re-prioritise every 3 year cycle.

#### **4.0 Summary & Recommendations**

- 4.1 The recommendations from Finance & Performance Monitoring Overview and Scrutiny Committee to Executive Board are given below:

29 May 2002

- (1) to agree to recommend that consideration should be given to appointing an external funding officer to enable more effective use of external funding opportunities to be made.
- (2) to recommend that the use of the GIFTS system should be discontinued.

31 July 2002

- (1) To recommend to the Executive Board:
  - a) to set the overall grants budgets including allocation for each theme (see also (h) below);
  - b) to agree that decision making should be shared between the Executive Board and Area Committees with the Executive Board deciding partnership and city wide grants and Area Committees deciding small area grants;
  - c) for year 1 (2003-2004) to split area committee grants budgets initially on an historical basis with an opportunity for Grants development Officer to recommend adjustments to the Executive Board on the basis of need and effectiveness when reconciling the budget and to review the amounts in year two (for 2004/2005 financial year);

- d) to link the grants budget process and to confirm the grant budget as early as possible so that any budget reductions can be conveyed to applicants;
- e) to continue to make provision for partnership grants for 3 years duration;
- f) to make provision for small 'discretionary' grants budget but to simplify the process so that such grants can be applied for at any time (small grants budget to be ring-fenced) making the process more accessible for community groups and to agree that the awarding of these grants be delegated to the Grants development Officer, after consultation with the chair of the relevant area committee;
- g) to publish a list of decisions on grant applications on the web site and to issue a press release to the local media after all organisations have been notified of the decision on their application;
- h) to recommend to Council on the themes and priorities for funding and to review those themes on a 3 year cycle;
- i) to agree that a four point scale (0-4) be used for assessment *against the criteria*
- j) to thank formally the community and voluntary sectors and Area Committees and Oxford Legal Services Partnership for taking part in the consultation;
- k) to ask the Grants Development Officer to devise and submit criteria for the awarding of grants and of partnership grants to the Executive Board for consideration and recommendation to Council;
- l) in view of the existing level of resources available to support grants process, to involve the Area Co-ordinators and Ward Councillors in contributing their local knowledge of organisations to the grants process;
- m) to ask applicants to provide evidence of continuous improvement by their organisation and what the grant had been used for in the previous year and to confirm that their organisation paid the minimum wage and that they promoted equal opportunities;
- n) to ask all councillors and the Area Co-ordinators to share information about successful schemes / initiatives and best practice;
- o) to set up a panel, comprising of one representative from each area committee, to liaise with the Grants Development Officer and Port-folio Holder throughout the grants process and to be consulted on applications;
- p) to thank Nicola Harrison and Val Johnson for their work on the grants review.

- 4.2 The review has achieved some but not all of its original brief; it has examined the decision making process in line with the changes brought on by modernisation & internal restructuring, partly addressed how the process will be administered and touched on monitoring.
- 4.3 Due to the short time scale involved the review has not looked at criteria for accepting or rejecting applications, the issue of rents to voluntary organisations or addressed the resources required for the future grants process and monitoring. In addition further clarification is required on points (l) and (o) above. A further report will be made to the Executive Board covering these issues. The Grant Officer will work closely with the Port-folio Holder to develop any proposals contained in the report.

**This report has been seen and approved by:**  
Isobel Garner, Strategic Director

Background Papers: None