

Committee: Grants Panel	Date: 15 th October 2009	Classification: Unrestricted	Report No: (GP 04/0910)	Agenda Item:
Report of: Assistant Chief Executive Originating officer(s) Jon Underwood, Everett Haughton and Hilary Hughes – Strategy and Performance		Title: Review of Mainstream Grants Commissioning Wards Affected: All		

1. SUMMARY

- 1.1 At the meeting of the grants panel held on Thursday, 11 June 2009 the Grants Panel requested that a detailed report on the Mainstream Grants Commissioning Process be submitted to their October meeting.
- 1.2 It was agreed that a detailed report would be prepared on the new commissioning process covering the following
- Review of the new arrangements - feedback on operation of the process to date - review of key issues
 - How the small and medium size community / voluntary organisations are involved in the process
 - Information on the organisations either left out or applied but were not considered because of the newly introduced online system.

2. RECOMMENDATIONS

The Grants Panel is recommended to:-

- 2.1 To agree the proposed process improvements contained within the report and recommend them to Cabinet.

3. BACKGROUND

- 3.1 Funding arrangements for 2009/10 and onwards were approved by Cabinet on 1 August 2007, in a report entitled 'Priorities and Arrangements for Mainstream Grants 2008-2009'. Members approved proposals that moved the programme to a commissioning-based approach of allocating mainstream grant funding.
- 3.2 The intention of moving to a commissioning-based approach of allocation was to strengthen the integrity, transparency and fairness of the process and ensure resources were distributed and used more effectively and efficiently.

4. OVERVIEW OF THE COMMISSIONING PROCESS

Rationale for Moving to Commissioning of Mainstream Grants

- 4.1 In line with the borough's Commissioning Code of Practice, the change to a commissioning approach for Mainstream Grants aimed to ensure that:
- Services are available to those who need them
 - Priorities and outcomes are better informed and more specific
 - Funding is focused on the most effective ways of meeting needs; and that
 - Resources are distributed and used efficiently and equitably

Consultation, Support and involvement of Third Sector partners

- 4.2 The directorates responsible for the different Mainstream Grants funding streams organised 8 workshops with prospective applicants to enable them to respond to the proposed changes and feedback on service need. In addition to the workshops an open consultation session took place at the Brady Centre on 21st July 2008. 54 people representing 47 organisations attended this event.
- 4.3 As a result of feedback received during the consultation period, the TH3 Event (formerly the Funder Fair) on the 6th November focused on addressing the issues that local groups had identified. This included workshops on: understanding the application process, completing the form, quality assurance, working in partnership and costing projects. A comprehensive FAQ document was also developed and disseminated widely.

The Application Process

- 4.4 In line with good practice the application process was via an on-line form using the Council's Grants Information Funding Tracking System (GIFTS). Prospective applicants were made aware that this system would be used in advance and 10 training sessions were run. Alongside this a telephone helpline, email response service and one-to-one support were also available.
- 4.5 In total, 287 applications were received from 166 organisations within the original timeframe. 14 additional organisations advised that they had completed their applications and supporting documents but had difficulty in submitting them by the original deadline. The electronic application process was therefore 'reopened' until 23 January 2009 by which time a further 18 applications were received from those organisations. This made a total of 306 applications received from 184 organisations. Subsequent to this, a late submission from Tower Hamlets Community Transport was agreed.
- 4.6 A full list of agreed funding allocations is provided at Appendix 1.

5. REVIEW OF ARRANGEMENTS

5.1 Officers have undertaken a review of the new arrangements. This has utilised an analysis of:

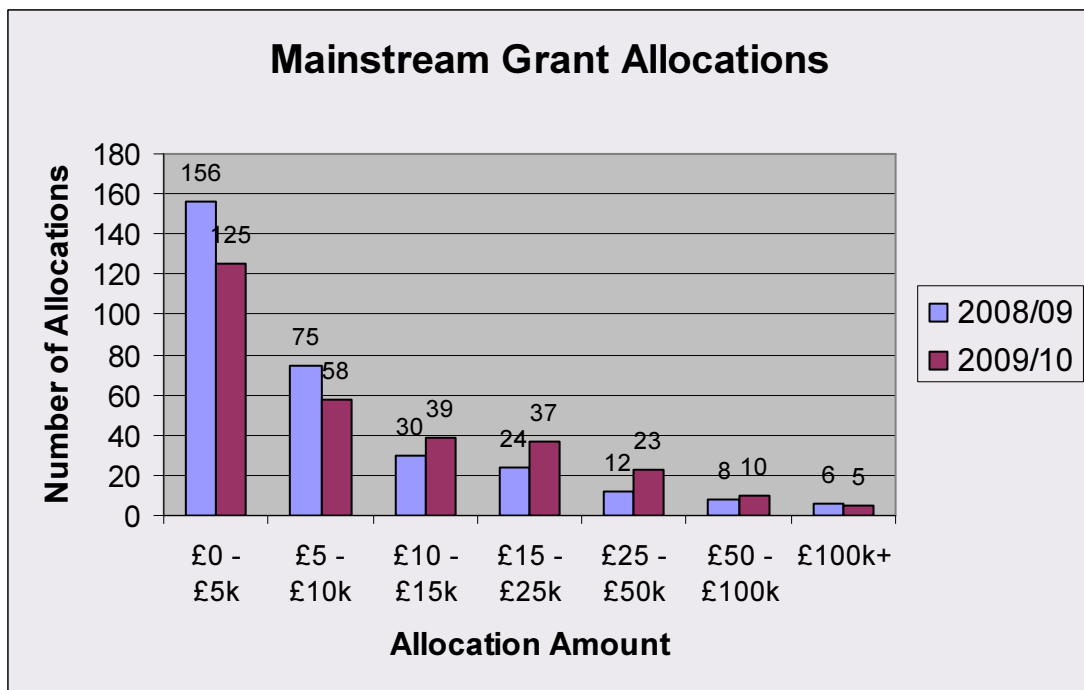
- The profile of organisations funded
- Members' and officer's feedback
- The organisations who did and didn't receive funding
- Enquiries and feedback given by local third sector groups during and after the process
- Feedback from organisations who were previously funded but did not submit an application for 2009/10
- Findings emerging from the consultation process of the third sector strategy

Overall findings

5.2 We have compared the post-commissioning 2009/10 allocation to the pre-commissioning 2008/09 allocation. This illustrates the following:

- That the commissioning approach resulted in fewer awards of funding being made. In 2009/10 297 funding awards were made, down from 311 in 2008/09.
- That average allocations were correspondingly larger. Specifically, the average award in 2009/10 was £13,969, up from £11,118 in 2008/09.

The graph below illustrates the changes in the pattern of allocation:



- 5.3 The review highlighted a number of issues that were related to the new funding process. These have been clustered into the following main themes:
- Issues identified with the process
 - Results of the process
 - Accountability and transparency
 - Level of support available when applying for grants
 - Advertising and Publicity
 - Process timescales
 - Feedback, Appeals and Enquiries

- 5.4 An overview of findings and proposals is included below. A more detailed breakdown is included in Appendix 2. Should the Grants Panel agree the proposed actions a full action plan for implementation will be developed and submitted to Cabinet.

Theme 1 Issues Identified with the Process

- 5.5 The review found that the funding documents lacked details of the scoring process that had been adopted. Also the service specifications were complex and not written in an accessible format. The online form was also perceived to be too complex.
- 5.6 A small number of applicants reported problems in applying because the forms were online. These problems were for a variety of reasons, including a lack of appropriate IT equipment. Additionally a few organisations reported that process was too onerous for a small grant so they decided not to apply.
- 5.7 Officers undertaking assessments found that the questions and guidelines could have been improved. They did not anticipate all the details needed from groups to ensure they answered questions appropriately.
- 5.8 The review also investigated why organisations who applied in previous years did not apply to this commissioning round. It was identified that most of these groups did not apply due to their organisational capacity. These organisations would not have applied regardless of the move to a new funding approach or the online application system.
- 5.9 Proposed key action:
- Maintain the online application process but review and simplify forms and specifications where possible
 - Ensure that small organisations are provided with whatever support they need to submit an application
 - Develop and review guidance for groups in response to problems identified this year
 - Ensure all grant documents are tested with potential applicants

Theme 2 Results of the process

- 5.10 As detailed in 5.2 above, the review identified that the new funding process resulted in larger allocations. Correspondingly, larger organisations were more often the beneficiaries of these.
- 5.11 Also, as part of the arrangements for 2009/10 the Community Engagement funding stream was amalgamated with the Economic Engagement funding stream. This was due to the prioritisation of activity to address worklessness. The impact of this was that a number of organisations had their funding discontinued as their work was not identified as a continued funding priority. This particularly applied to groups providing anti poverty, community cohesion and social inclusion projects.
- 5.12 Proposed key actions:
- Consider ways of providing a responsive small funding pot that is accessible to small organisations (N.B. A proposal to establish a Community Chest, which meets these criteria, has been included in the Third Sector Strategy. This will be taken forward subject to funding)
 - Consider options to provide resources to projects prioritising One Tower Hamlets activity. It is suggested that this could be facilitated by a review of our approach to the Corporate Match Funding stream.

Theme 3 Accountability and transparency

- 5.13 As detailed above, the allocation process was intended to be based around commissioning principles. Members, Third Sector organisations and officers all pointed to issues with the process arising from a lack of clarity about the degree to which the commissioning approach had been adopted. In some cases, the outcome of this was confusion about the rationale for some funding decisions.
- 5.14 Also, Third Sector groups expressed a wish to be more involved in developing processes for assessment and allocation and an increased involvement in setting priorities.
- 5.15 Proposed key actions:
- Ensure that there is clarity about the approach for determining funding allocations. The Third Sector Strategy proposes that the commissioning approach is given time to bed down and that evaluation is undertaken before this decision is taken.
 - On the basis of the agreed approach, develop training and written guidance for all involved to improve the consistency of approach

Theme 4 – Level of support available when applying for grants

- 5.16 The review demonstrated a clear need for officers to be available to support applicants to develop their proposals. Also, some of the smaller groups did not have access to the technology needed to apply on line and, because of this, were at a disadvantage and have access to the technology needed to apply for this and other grants.
- 5.17 Proposed key actions:
- Provide funded advice to applicants from an independent third sector body not competing for same funds. This role could possibly be taken by the new Council for Voluntary Services that the Third Sector Strategy proposes we establish, subject to funding.
 - Ensure that small organisations are provided with whatever support they need to submit an application
 - Ensure all Grant Officers are available on closing day to give phone advice
 - Ensure appropriate IT support is available

Theme 5 – Advertising and publicity

- 5.18 Findings demonstrated that small groups with limited knowledge of the process didn't know about the opportunity to apply. Additionally, Directorates Officers felt that they needed more control of the website information and documents related to their funding streams.
- 5.19 Proposed key actions:
- Make full use of the new Council for Voluntary Services that the Third Sector Strategy proposes we establish (subject to funding) and existing networks to inform groups of the application round
 - Put up posters at community centres to ensure small groups meeting at their premises are informed of funding opportunities.

Theme 6 – Timescales of the process.

- 5.20 Applicant organisations felt that the process needed to give a longer time between the advert and the closing date to enable more consortium bids to be developed. Additionally, the review identified that the decision making time of the grants did not allow adequate time for groups to plan or manage effectively redundancies, recruitment and negotiation of service agreements.
- 5.21 Proposed key actions:
- Timescales for commissioning and grant aid to be announced in good time
 - Bring forward application process and decision making process.
 - Confirm funding amounts three months before the start of projects, if possible.

Theme 7 – Feedback, Appeals and Enquiries

5.22 Concerns were expressed over the lack of a Council for Voluntary Services to negotiate and feedback to the Council and advocate on behalf of the sector. The increase of enquiries to members and officers was shown to link to the lack of a review / appeals process.

5.23 Proposed key actions:

- Development of new Council for Voluntary Services that the Third Sector Strategy proposes we establish, subject to funding.
- Supply those who submitted rejected applications with a written explanation with the offer of further discussion
- Establish a controlled appeals process to limit enquiries with clarity about who can appeal and for what reasons.

6. COMMENTS OF THE CHIEF FINANCIAL OFFICER

6.1 The report describes the review of the Council's mainstream grants arrangements and recommends improvements to the current grants processes. The creation and funding of a new Council for Voluntary Services (CVS) described in this report are subject to the budget process, and will be considered for approval by Cabinet on 4th November 2009.

The costs of implementing the other proposals described in this report are expected to be contained within existing budgets and there are no additional budget implications arising from this report.

7. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

7.1 There are no specific legal comments arising from this report. The contents of the report deal with operational matters concerning the process for dealing with applications for and the award of grants.

8. ONE TOWER HAMLETS CONSIDERATIONS

8.1 The Third Sector provides responsive services that help to improve the quality of resident's lives. Mainstream grant funding streams aim to prioritise reducing inequalities, discrimination and poverty. The actions proposed aim to strengthen the funding in relation to the One Tower Hamlets objectives.

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

9.1 The Third Sector plays a leading role in making Tower Hamlets greener and more sustainable. Improving the Mainstream Grants process will further strengthen the ability of organisation working in this field to deliver.

10. RISK MANAGEMENT IMPLICATIONS

- 10.1 There are a number of risk implications in relation to developing grant practice.
 - Making the process more accessible will bring about an increase in applications that the already over subscribed budgets will not be able to support.
 - Reducing the confidence in the integrity of the funding framework.
 - Increase of enquiries from groups

- 10.2 Officers have proposed actions in Appendix A that will mitigate risk:
 - reduce the expectation of applicants in the amount they ask for
 - support applicants to submit applications
 - develop clarity and procedures to improve the probity and timing for the of the programme

11. EFFICIENCY STATEMENT

There are no proposals that require further funding in this report.

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

Brief description of “back ground papers”	Name and telephone number of holder and address where open to inspection.
To be completed by author	To be completed by author ext. xxx

12. APPENDICES

- Appendix 1 – List of 2008/09 funding allocations
- Appendix 2 – Full table of feedback from the review and proposed actions