

Report to the Cabinet

Report reference: C-115-2008/09

Date of meeting: 20 April 2009



**Epping Forest
District Council**

Portfolio: Community Wellbeing.

Subject: Grant Aid Policy Issues.

Responsible Officer: Chris Overend (01992 564247).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendation:

That approval be given to revisions to the policy and procedures for the following aspects of the Grant Aid Scheme for voluntary and community organisations, as set out in the report.

Executive Summary:

The District Council seeks to ensure that the monies contained within the Grant Aid Scheme for Voluntary and Community Groups are allocated on an equitable basis. It is also of obvious benefit to review the policies and procedures in place elsewhere to identify good practice and put new ideas into use where appropriate. A review of the policy is therefore undertaken on a periodic basis. The last major review having been carried out in 2003/04, it was decided to undertake a further review during the current Council year.

The review has focused on policies in place at other local authorities, identifying areas of good practice, which might be used by us. The details of the schemes operating in a variety of local authority areas (including elsewhere in Essex, authorities of a similar size/nature and others) have been obtained for purposes of comparison. The local authorities concerned are: Braintree, Bracknell Forest, Broxbourne, Colchester, Enfield, Greenwich, Harlow, Huntingdonshire, Hertsmere, Maldon, Newham, Redbridge, Southend-on-Sea, Tower Hamlets, Uttlesford, Winchester City, Waveney, Weymouth, Windsor and Maidenhead, Waltham Forest and Westminster.

The various policy issues identified for consideration and determination are set out in the 'Report' Section below.

Reasons for Proposed Decision:

The proposals would strengthen a much appreciated and effective Grant Aid Scheme and the District Council's partnership arrangements with the voluntary sector in general.

Other Options for Action:

Other options would be to approve only some of the recommendations put forward or reject them entirely. This would mean a lost opportunity in terms of further potential enhancements to the scheme.

Report:

Scorecard System

1. Some of the local authorities surveyed operate scorecard systems as a 'tool' towards a more objective approach to the awarding of grants. When such methods are used, points are awarded to applicant groups against individual criteria such as a scheme's contribution towards meeting Council objectives, evidence of need, value for money, the impact on the Community and sustainability. Whichever system is chosen, there are subjective elements in the assessment and a decision has to be made regarding the number of points required for a grant to be awarded. Nonetheless, the use of scorecards does provide a more scientific approach to the assessment of applications and assists in the prioritisation of schemes and the allocation of grants at times when there are constraints on the Grant Aid Budget.

2. The Community Wellbeing Portfolio Holder, in consultation with the officers, has approved a scorecard for use in determining grant aid applications. This will be used, initially as a trial basis, from the commencement of the 2009/10 financial year.

Three Year Ruling

3. The District Council's scheme currently has a condition whereby applicants, having received a grant in the preceding three years, would not be awarded a further grant within the three-year period unless the project is extremely urgent or the application relates to a separate developmental aspect of an existing scheme for which grant aid funding has been awarded. None of the other local authorities surveyed has a similar policy although some do limit applications to one per group per annum. Rather, the tendency is for the applications to be assessed against various relevant Council objectives and priorities, regardless of when and how often a group applies. Similarly, with regard to the District Council's Scheme, the Portfolio Holder makes an assessment of applications in terms of their impact on Council objectives and priorities (see paragraph 11 below). It is suggested that the three year ruling be discontinued in respect of the District Council's own scheme and the need for applications to relate to Council objectives and priorities be further emphasised on the application form and on the scorecard.

4. The three year principle was introduced to deter the practice of some voluntary and community groups of submitting applications on a habitual, annual basis. It is suggested that groups should be able to apply as and when they wish, with any application being assessed on merit at the time of receipt. However, it is proposed that an element of this principle is retained. There will be a specific criterion in the scorecard system whereby groups, not in receipt of a grant previously or recently, will be awarded additional points. It is considered that the Council should positively welcome suitable applications from small community groups and from groups that have not previously received funding. In that regard, the Council will look at alternative ways of publicising the scheme.

Groups Based Outside the District

5. The existing criteria require that, to be considered for a grant, a group should be based or active in the District and able to demonstrate true local independence. All the local authorities surveyed have similar conditions in their schemes. None insist on the groups being based in their District/Borough however, but rather they are expected to be either based or active in the District/Borough or both. The debate on this issue tends to centre around the definition of 'active', although the considerations for community groups are somewhat different from those for sports and leisure groups.

6. In situations where community groups do not have premises in the District, local

authorities tend to look at aspects such as whether the clients are based in the District and the number of clients concerned and, in instances where they are national or regional organisations, evidence that the grant will be used towards provision in the District. It is considered that these are sound principles on which to determine whether a group is active locally and the level of activity. It is therefore recommended that these be the principles used in making an assessment of a community group's benefit to the District, when it does not have premises within our geographical boundaries.

7. Leisure and sports groups do not have client groups as such, but have a membership. The difficulties in determining applications mostly arise when a group's headquarters is based just outside the District but draws on our residents for a significant proportion of its membership. It could be argued that, whilst those groups are benefiting the District's residents and encouraging and facilitating them in leading healthy, active lives, they are not active in the District as such, and should look to the local authority within whose boundaries their club premises are located, for a grant. An Internal Audit report issued in 2008 identified that some beneficiary groups did not appear to fulfil the criteria in that they were not based in the District or evidenced as being active in the District.

8. The fact that a group is based in one local authority area but draws a significant membership from another, may lead to the 'host' authority reducing or refusing a grant. Groups situated close to the boundaries dividing local authorities can thus find themselves caught between the two. There may also be instances of groups based in one District playing their competitive home matches in another District. To take extreme examples, are the many football clubs playing their home games at Wanstead Flats or Hackney Downs all dependent on grants from Redbridge and Hackney Councils respectively?

9. It is therefore proposed that groups based outside the District are not precluded from applying to us for grant aid but, rather, the level of activity in the District, total membership from within the District, and approaches to other potential funders such as neighbouring local authorities, be added to the list of criteria within the scorecard.

Formally Constituted Groups

10. All applicants are required to submit their most recent set of accounts as one of the conditions of grant award. In addition, several of the local authorities surveyed, including those at Braintree, Darlington and Southend, require applicant groups to be formally constituted. Although the amount of detail required and the level of sophistication expected will vary, the District Council would also expect even the smaller groups to have a constitution or 'rules' setting the parameters within which the groups should operate. Previously, however, this has not been a stated criterion. It is proposed that the need for a written constitution be added to the grant aid conditions.

Achievement of Council Objectives and Priorities

11. Practically all the surveyed local authorities require applicant groups to demonstrate how their application would help in the achievement of Council objectives and priorities. Indeed when an application is made to the District Council's Grant Aid Scheme an assessment is made of the application in terms of how it impacts on our own objectives. What might not always be clear to an applicant group is just what those Council objectives and priorities are. As these can vary from time to time it is suggested that each applicant group be provided with a list of relevant objectives/priorities and an opportunity to put forward the case for their application being supported when assessed against the list.

Presentations by Applicant Groups

12. Some local authorities provide an opportunity for groups to give presentations to the Portfolio Holder as a means of providing further information clarifying issues with regard to their application. A similar, but selective, system was implemented by the former Grant Aid Panel in the 1990's and could be used again. However, use of such a system can lead to accusations of bias (by unsuccessful applicant groups not offered a similar opportunity). It is therefore recommended that the opportunity for groups to make formal presentations be offered only in exceptional circumstances e.g. where the groups concerned make a specific request and the Portfolio Holder is of the opinion that there are issues which could not be clarified through the completed application and supporting documentation supplied.

Resource implications:

There will be no additional costs arising. The Grant Aid Budget for 2009/10 for grants towards voluntary and community groups is £94,970.

Legal and Governance Implications:

The revised policies and procedures will provide additional security in respect of the governance procedures of the voluntary and community groups to whom grant aid is awarded.

Safer, Cleaner and Greener Implications:

No specific implications although applications which have environmental benefits will be given points through the scorecard system in recognition of these benefits.

Consultation Undertaken:

Discussions involving VAEF and District Council members and officers.

Background Papers:

Information on Grant Aid Scheme policies and procedures operating at other local authorities.

Impact Assessments:

It is anticipated that enhancements to procedures will reduce risks associated with the making of inappropriate grants. The policy changes, and particularly the introduction of the scorecard system, should enhance equality and diversity as many of the applicant groups suffer the effects of being socially excluded or disadvantaged.