

SCRUTINY 27 November 2009 Request for Call In: Three Year Strategic Grants 2010-13

1) Introduction

Brighton & Hove City Council's Discretionary Grants Programme is dedicated to supporting local third sector organisations (not-for-profit community groups, voluntary organisations & social enterprise).

The programme's application, appraisal & decision making mechanisms were agreed by Council following an extensive consultation programme with partners / stakeholders (P&R: Best Value Review of Grants 2001 and Grants Scrutiny Panel 2002). The establishment of a Cross Party Member Advisory Group for Grants was a key feature of the recommended changes as this was identified as the best way to ensure an open and non political process.

Subsequent revisions to process and procedure have built on this and been informed by the Communities Team experience and evaluation of three year grant cycles: 2001-04, 2004-07 & 2007-10 and agreed at appropriate P&R Committee / Cabinet Meeting.

Current grant-making mechanisms are recognised as best practice in the field (Chartered Institute of Public Finance & Accountancy: CIPFA 2005 & Top Local Authority for Grant Giving Arrangements - Directory of Social Change: DSC 2009).

The current round of grants has followed the agreed and established arrangements and the Leader and the Cabinet have been fully briefed at each stage of the process.

2) Background

Three Year Strategic Grants 2004-07

In **June 2003** OSOC Member 'Call In' request was made by Cllrs David Watkins & Dawn Davidson around "P&R Decision 18 June 2003: Discretionary Grants Programme 2003-04". The request was declined.

(please see sub-appendix 5.1 OSOC Minutes: 30 June 2003).

The Chair of OSOC at that time, Cllr Leslie Hamilton, stated: "Process was greatly improved in comparison with the previous round of main grant applications and OSOC were pleased with progress achieved in line with recommendations of both the Best Value review and the scrutiny panel. OSOC did not agree to refer the decision back for re-

consideration. In this way the current round of grants applications would suffer no undue delay.”

At that time OSOC also recommended increasing the involvement of the cross-party Members Advisory Group in future funding rounds to ensure the process was open and non political. Chair stated “MAG should have been established & actively involved earlier in the process... and given the opportunity to suggest any amendments before recommendations are reported to the Executive Committee”

Three Year Strategic Grants 2007-10

At **June 2005** these recommendations had been incorporated into the process of Three Year Grant programme administration. P&R Report 22 June 2005 ‘Proposals for Discretionary Grants Programmes 2007-10’ documented:

- “A two-stage process of Outline and Full Bid applications for three-year funding”
- “A cross-party Grants Panel to make recommendations to the Policy & Resources Committee for Full Bids (now extended to Outline Bid recommendations for the 2007-10 programme)”
- “Clear matching of grants programmes to City Council priorities”

(please see sub-appendix 5.2: “P&R Report 22 June 2005”)

The above was agreed alongside Terms of Reference for MAG accompanied by Operating Principles.

(please see sub-appendix 5.3: “P&R Report 22 June 2005 - Appendix 4”)

Three Year Strategic Grants 2010-13

MAG comprises one member from each of the main political parties as follows:

- Chair - Cllr Dee Simson (Conservative & Cabinet Member for Community Affairs)
- Cllr Leslie Hamilton (Labour)
- Cllr David Watkins (Lib Dem)
- Cllr Sven Rufus (Green)

By **June 2008** MAG was engaged at the earliest stages of discretionary grant process. That is advising and making recommendation around design & development of the potential Three Year Grants cycle for 2010-13 as well as recommendations to Cabinet at both Outline & Full Bid stage. In that month MAG met and agreed that the discretionary grants programme “continued to offer open, transparent & accountable process & procedures”.

MAG recommended the Communities Team “initiate a process of consultation with service heads & senior officers with a view to identifying those key priorities that would define the vision & criteria for grant aid” 2010-13. On completion of this process MAG met again in **October 2008**.

(please see sub-appendix 5.4: Report to MAG 20 October 2008)

The subsequent Cabinet Report recommended a new vision and criteria for grants that clearly matched corporate priorities, aligned to strategic service objectives.

(please see sub-appendix 5.5 Cabinet Report 20 November 2008: “Discretionary Grants Programme 2010-13 Three Year Process”)

This was agreed by Cabinet alongside a two stage application and appraisal process (Outline Bid & Full Bid) supported by regular input from MAG.

3) The 2010-13 Process

In **January 2009** the Communities Team gave a Cabinet & Cross Party presentation on the council's relationship with the community & voluntary sector as part of the new Grants Programme 2010-13, its priorities and procedures. This gave the Cabinet and other councillors from all parties the opportunity to understand the Three Year Grant process including the role of the Members Advisory Group in delivering an open and non political grant making process. The briefing also included the relevant time table and decision making arrangements.

This was well received with positive feedback across attendees. On **23 January 2009** as part of evaluation returns on the event Cllr Ayas Fallon Khan: Cabinet Member for Central Services noted the rigour of the programme and it's 'commitment to delivering value' to the city.

Outline Bid Stage

Outline Bid is designed to provide an accessible application process helping ensure an open non political programme and supporting Cabinet in maximising opportunities for organisations to access longer term funding.

In addition Outline Bid is effective in terms of identifying fit with complementary Annual Grants Programme criteria (a companion programme administered by the Communities Team and worth approx £330,000 pa 2010-13). *nb. this is of specific relevance to the alternative support packages outlined at ¹ & ² below.*

The Outline Bid deadline was **2 February 2009** and 98 applications were received.

MAG met on **26 March 2009** to discuss progress made and agreed that, to support Cabinet in decision making on all bids, the following appraisal process would be undertaken for each application:

- **Initial eligibility check** covering nature of organisation, criteria fit & area of benefit
- **Full technical appraisal** covering governance arrangements, finances / accounts & funding relationships with council / other major funders
- **Consultation with service heads** to address wider strategic impact, council links & partnership working etc. framed within 'discussion groups' and covering 18 specific service specialisms

(please see sub-appendix 5.6: "Officer Engagement & Consultation: Outline Bid 2010-13")

The Outline Bid appraisal process ensured robust assessment of applications, strategic fit & cross-party support for subsequent recommendations of MAG. It also underpinned production of a technical appraisal report circulated to MAG for all 98 applicants.

(please see sub-appendix 5.7: "Technical Report Template – Outline Bid 2010-13")

MAG met again on **23 April 2009** to consider appraisal reports alongside original application documentation. Following discussion & suggestions from all members MAG agreed to recommend Cabinet invite 74 applicants to Full Bid stage and extend an alternative support package to the remaining 24. ¹

The Leader of the Council, Cabinet Member for Community Affairs and other Cabinet Members were fully briefed by officers on the recommendations made by MAG. Technical appraisals including service impacts and the effectiveness of the suggested alternative support packages formed part of this briefing process.

The subsequent Cabinet Report was agreed and it was decided to invite 74 applicants to Full Bid.

(please see sub-appendix 5.8: "Cabinet Report 21 May 2009: Decision on Outline Bid Applications 2010-13")

The Communities Team notified applicants on **28 May 2009**.

The Team has initiated and continues to deliver the alternative support package identified for the remaining 24. This has included recommendation to award monies from the Annual Grant Programme 2009-10 and consideration around Annual Grants Programme support

2010-11, development support and advocacy in liaison with other council departments around potential income streams.

Full Bid Stage

Full Bid is designed to provide a robust and detailed application & appraisal process to deliver rigorous non political recommendations around allocation of grant monies worth up to £100,000 pa thereby supporting Cabinet in ensuring value for associated grant monies.

In addition Full Bid is also particularly effective in terms of identifying strong fit with complementary Annual Grants Programme criteria whereby immediate, as well as longer-term, funding support can be offered to organisations.

The Full Bid deadline was **24 July 2009** and all 74 applicants invited to apply submitted a bid requesting in total £2,018,246 pa. As the total available grant pot was for no more than £1,244,000 MAG was faced with a very difficult task.

To support Cabinet in decision making on all bids, the following appraisal process was undertaken for each application:

- **Assessment of application** by specialist officers to assess six core aspects of each application
- **Consultation with service heads** to address wider strategic impact
- **Engagement with MAG Chair / Cabinet Member** for Community Affairs, Inclusion, Internal Relations & Community Safety

(please see sub-appendix 5.9: "Officer Engagement & Consultation: Full Bid 2010-13")

The process also underpinned production of a comprehensive appraisal report on each application that consolidated and built on that produced at Outline Bid Stage. It specifically covered compulsory support documents and their implementation in practical day-to-day operations:

- **Risk Management Strategy**
- **Staffing Structure**
- **Financial Controls**
- **Accounts & Reserves**
- **Equal Opportunities Policy**
- **Business Planning 2010-13**

(please see sub-appendix 5.10: "Appraisal Report Template – Full Bid 2010-13")

Each Full Bid Appraisal Report was completed, summarised & circulated ahead of MAG meeting on **12 October 2009** where MAG

members also had access to full reports alongside all original application documentation.

Following discussion and debate all members of MAG agreed recommendations for 70 applications (either Three Year Grant 2010-13 or an alternative support package) and suggested that additional consultation be undertaken around 4 bids to ensure Cabinet were fully supported in later decision-making .

On completion of this additional consultation all members of MAG agreed to recommend Cabinet award 68 grants up to £100,000 pa. totalling £1,244,000 pa (the largest amount ever allocated under the Three Year Strategic Grants Programme).

MAG also agreed to recommend Cabinet extend an alternative support package to the remaining 6 applicants. ² The alternative support packages being offered aim to ensure groups are better able to obtain the necessary resources and support they need from the Council and its partners.

Alternative support packages can include:

- **Immediate consideration of grant from the Annual Grants Programme 2009-10** to address potential funding shortfall in the current financial year and demonstrate council's support for applicant organisations
- **Prioritisation for continuing Annual Grants Programme consideration 2010-11** to help ensure longer-term viability
- **Specialist fundraising advice and development support** from the Communities Team
- **Advocacy in liaison with other council departments** often around potential income streams

The Leader of the Council, Cabinet Member for Community Affairs and other Cabinet Members were fully briefed by officers on the recommendations made by MAG. Technical appraisals including service impacts and the effectiveness of the suggested alternative support packages formed part of this briefing process.

Cabinet of **12 November 2009** agreed the subsequent recommendation report.

(please see sub-appendices 5.11 & 5.12: Cabinet Report 12 November 2009: Decision on Bid Applications 2010-13 & Appendix 1")

4) Crew Club

The application from Crew Club has been assessed and appraised in the same way as all other 97 Outline and 73 Full Bids received this year. The process and procedures followed, including Cabinet engagement, has been outlined above.

Crew Club: Outline Bid

The Outline Bid from Crew Club was identified as a request for core revenue. This is documented in the associated technical appraisal report at Outline Bid which underpinned MAG recommendation and the subsequent Cabinet Report 21 May 2009 (*sub-app 5.8*).

Crew Club: Full Bid

The Members Advisory Group (MAG) were given a summary of the results of the technical and specialist officer appraisals for the Crew Club bid and this formed the basis for their recommendation. Copies of the full bid and appraisals were available for inspection at the meeting where MAG recommendations were made.

At no point did the potential Co-Location Project in East Brighton have any bearing on the assessment, appraisal or decision making process around Crew Club's grant application. Thus there is no commentary in this regard documented within the associated Full Bid appraisal report which underpinned MAG recommendation and the subsequent Cabinet Report 12 November 2009 (*sub-appendix 5.11*).

The Leader of the Council, Cabinet Member for Community Affairs and other Cabinet Members were fully briefed by officers on MAGs recommendations.

What is on record is the need to identify the most flexible and responsive funding schemes, accompanied by complementary income streams from departmental budgets, to support an organisation of real value to the communities it serves. The Annual Grants Programme is well suited to supporting organisations such as Crew Club in helping them build towards longer-term sustainability.

It is noted that Crew Club are currently in receipt of Children & Young People's Trust funding worth approximately £25,000 in 2009-10 and appear well placed to access further monies in 2010-11.

Alternative support package suggested is summarised as:

- **Immediate consideration of grant from the Annual Grants Programme 2009-10** to assist the crew club in the current financial year and demonstrate council's support of the organisation
- **Prioritisation for continuing Annual Grants Programme consideration 2010-11** to help ensure longer-term viability

- **Specialist fundraising advice and development support** from the Communities Team
- **Advocacy in liaison with other council departments** often around potential income streams

At the current time the Communities Team is unable to initiate support packages or communicate the opportunities to Crew Club.

5) In Summary

The council's Constitution and its procedural rules regarding Overview & Scrutiny attest that in considering whether or not any matter should be agreed for a Select Committee Review, the Commission will have regard to:

- **The importance of the matter raised and the extent to which it relates to the achievement of the Council's strategic priorities, the implementation of its policies or other key issues affecting the well being of the City or its communities;**

The decision does not risk the achievement of the council's strategic priorities or adversely affect the well being of the city, or its communities because the Leader and the Cabinet were fully briefed at each stage of the process. They were aware of the strategic implications of Cross Party Member Advisory Group for Grants (MAG) recommendations and the appropriateness of the alternative support packages.

- **Whether there is evidence that the decision-making rules in Article 11 of the constitution have been breached; that the agreed consultation processes have not been followed; or the decision or action proposed or taken is not in accordance with a policy agreed by the council.**

The current round of Three Year Grant applications has followed the agreed and established arrangements aimed at ensuring that the council's discretionary grant giving arrangements are open and non political.

The programme's arrangements (application, appraisal & decision making mechanisms) were agreed by P&R with cross party support following an extensive consultation programme with partners / stakeholders.

As such the MAG has lead on every element of the process and every recommendation made by MAG has been supported by the Cabinet.

The application from Crew Club has been assessed and appraised in the same way as all other 97 Outline and 73 Full Bids received this year.

- **The potential benefits of a review especially in terms of possible improvements to future procedures and/or the quality of Council services;**

The Communities Team evaluates each three-year cycle of strategic grants and makes any improvements; this is built into the process. A further review would add little to the lessons already learned and delay the implementation of this year's award.

As previously stated, the council's Discretionary Grants Programme has received national recognition in terms of best practice.

In the current cycle the Communities Team has received very positive feedback on process and procedures in support of Cabinet decision-making, from both participating members and colleagues across council. From an applicant's perspective the Feedback Forms circulated to and, so far, returned by 23 organisations have been overwhelmingly supportive.

All, bar one, that have applied in 2007-10 considered the Three Year Strategic Grants 2010-13 application procedures 'easier than last time'. Similarly 22 of 23 applicants were 'fairly or very satisfied' with the overall process.

An example of some accompanying qualitative feedback can be found below:

- *'I think it is ... clear and straight forward.... the guidance notes are useful too ... a very good process'*
- *'very useful to be able to speak to supportive staff regarding the application'*
- *'In my experience this is the most transparent and well organised commissioning process in the council'*

Further, the constitution states;

16.2 In deciding whether or not to refer a decision back, the relevant Overview and Scrutiny Committee shall have regard to the criteria for Scrutiny reviews ... In addition it may take into account:

- **any further information which may have become available since the decision was made**
- **the implications of any delay; and**
- **whether reconsideration is likely to result in a different decision.**

The delay in final decision due to the above 'Call In to Scrutiny' means the Communities Team have been unable to confirm new grants for

2010-13 to 68 applicants nor extend the agreed alternative support to the 6 applicants identified for this package.