

CABINET - 18TH MARCH 2010

Report of the Director of Governance & Procurement

ITEM 13 SERVICE REVIEW – COMMUNITY GRANTS SCHEME

Purpose of Report

This report sets out the results of the Service Review of the Community Grants scheme and proposes new arrangements for the assessment of grant applicants and the allocation of grant funding.

Recommendations

1. That Cabinet approves the following design principles for the new Community Grants scheme:
 - The Council will continue to fund a wide range of voluntary organisations, both large and small;
 - Grants will be awarded on the basis of detailed and specific criteria derived from the Council's Corporate Plan, the Sustainable Communities Strategy and the Local Area Agreement;
 - Longer term funding arrangements will be introduced for selected organisations with whom the Council wishes to establish 'strategic partner' relationships;
 - Initially, there will be no specific geographically based conditions or targets; however, part of the assessment of need will take the geographical distribution of grants across the Borough into account;
 - Performance monitoring agreements will be applied to material grant awards; small grant awards will be much more lightly monitored;
 - Information required will be based on the current Community Grants scheme;
 - There will be no specific threshold set beyond which grant awards within a funding stream require Cabinet approval; rather, Cabinet will review proposed grant awards 'en bloc' to facilitate qualitative ranking of applications. Separate small grants stream will be determined by Grants Panel.
2. That Cabinet confirms the total Community Grant scheme funding for 2010/11 in line with the budget of £307,700
3. That Cabinet approves indicative grant funding of £224,000 in financial year 2011/12 and £212,000 for financial year 2012/13, subject to the normal budget approval process for those years.
4. That Cabinet allocates Community Grant scheme funding for voluntary organisations identified as Strategic Partners in 2010/11 and indicative amounts, subject to the normal budget approval process for those years, for 2011/12 and 2012/13 in accordance with the organisations and amounts set out below:

	2010/11	2011/12	2012/13
John Storer House Foundation	42,330	39,978	37,627
Charnwood CAB	64,620	61,030	57,440
Fearon Hall	31,560	29,807	28,053
Gorse Covert	21,150	19,975	18,800
Loughborough Womens Aid	12,850	12,136	11,423
HREC	11,805	11,149	10,493
Bangladeshi Com Project	9,910	9,360	8,809
Victim Support	5,006	4,728	4,450
St Peters Community Centre	5,500	5,194	4,889
Voluntary Action Syston	10,000	9,500	9,000
Voluntary Action Shepshed	10,000	9,500	9,000

5. That Cabinet approves the basis on which Community Grants will be assessed as set out at Table 5 and Table 6 of this report.
6. That Cabinet delegates authority to the Director of Governance & Procurement to finalise detailed guidance and application procedures in respect of the new Community Grants scheme and to make arrangements for determining Community Development grant applications which cannot be considered by Cabinet due to exceptional circumstances.

Reasons

1. To confirm the underlying principles of the new Community Grants scheme.
2. To specify the Council's total level of financial commitment to the new Community Grants scheme for 2010/11 and to ensure that the Community Grants scheme is appropriately funded throughout this period.
3. To enable indicative funding allocations for identified Strategic Partners for the financial years 2011/12 and 2012/13 to be set out.
4. To set out funding allocations for identified Strategic Partners for 2010/11 and indicative funding allocations for 2011/12 and 2012/13.
5. To confirm the basis on which Community Grants will be assessed.
6. To facilitate the initiation and operation of the new Community Grants scheme.

Policy Context

The delivery of the programme of Service Reviews will contribute to the Council's aim of continually improving the way we do business, setting challenging but realistic targets, and delivering value for money on Council services.

It is also of note that the Audit Commission considers the process of conducting service reviews to be 'good practice' in assessing a council's 'Use of Resources', an element within the current Comprehensive Area Assessment regime.

Background

The Community Grants scheme was identified within the Cabinet paper presented on 27 November 2009 as one of the Council's services that would be subject to a Service Review.

The detailed Service Review of the Community Grants scheme is attached to this report as an annex. A summary of the Review is presented below.

Executive Summary

The Community Grants scheme enables the Council to offer financial support to the voluntary and community sector as a way of promoting our objectives and as an alternative to the direct provision of services. Our overarching objective in running the scheme is as follows:

To support a diverse and thriving community and voluntary sector which provides opportunities for regular volunteering and work with the sector to deliver projects and services in an effective, local, community-led manner as an alternative to direct provision by the Council.

Assessment of current Community Grants scheme

When we examined the existing Community Grants scheme we found that many long-standing funding arrangements with voluntary organisations were based on custom and practice and it was often difficult to demonstrate whether the outcomes from the grants allocated were aligned to the Council's priorities or represented good value for money. There were also other issues in the existing scheme around the transparency of the grants awarding process, the timeliness of grant payments and the overall efficiency of the grant allocation process.

Option appraisal and design principles

One possibility considered by the Service Review was the total cessation of the Grants scheme. However, notwithstanding issues identified above, it was concluded that previous grants awarded had enabled voluntary organisations to make valuable contributions to their respective communities and that the Grants scheme was an effective way in which the Council could deliver against its priorities. Additionally, immediate cessation of funding to some voluntary organisations could have jeopardised their whole existence and resulted in the council being subject to legal challenge.

Therefore, while the existing arrangements were not acceptable the conclusion of the Review was that the Community Grants scheme would continue in redesigned format. The remainder of the Review was focussed on designing a new Community Grants scheme to satisfy the following objectives:

- To ensure that the overall funding for the Community Grants scheme can be undertaken within the Council's budgetary constraints
- To ensure that future grant allocations are fully aligned to the Council's priorities

- To enhance the transparency of the grants allocation process and enable voluntary organisations to fully understand the Council’s criteria in awarding grants
- To redesign the grants allocation process in the light of the new Leicestershire ‘Compact’ (currently at draft stage) which will provide good practice guidelines for the development of working relationships between Public Sector and Third Sector organisations
- To improve the efficiency of the grants allocation process resulting in payment to successful applicants earlier in the financial year and lower use of Council staff resources

The next step in the Review was to define the design principles of the new Community Grants scheme covering a range of issues such as the size of voluntary organisations the Council would want to support and whether longer term funding arrangements were appropriate.

Following consultation the design principles proposed for the new Scheme are as follows:

TABLE 1: Summary of design principles

	<i>Design aspect</i>	<i>Design principle</i>
A	Types of organisations to be funded	The Council will continue to fund a wide range of voluntary organisations, both large and small
B	Criteria for assessing applications for grant funding	Grants will be awarded on the basis of detailed and specific criteria derived from the Council’s Corporate Plan, the Sustainable Communities Strategy and the Local Area Agreement
C	Approach to creating longer term funding arrangements	Longer term funding arrangements will be introduced for selected organisations with whom the Council wishes to establish ‘strategic partner’ relationships
D	Allocations of grants based on geography and location	Initially, there will be no specific geographically based conditions or targets; however, part of the assessment of need will take the geographical distribution of grants across the Borough into account (In future years more specific conditions or targets may be introduced)
E	Funding and Performance conditions attaching to grants	Performance monitoring agreements will be applied to material grant awards; small grant awards will be much more lightly monitored
F	Information to be supplied in support of grant applications	Information required will be based on the current Community Grants scheme
G	Cabinet authorisation thresholds	There will be no specific threshold set beyond which grant awards within a funding stream require Cabinet approval; rather, Cabinet will review proposed grant awards ‘en bloc’ to facilitate qualitative ranking of applications. Separate small grants stream will be determined by Grants Panel.

Funding allocations

Based on the design principles set out above the Community Grants funding allocation would be split between four separate funding streams as follows:

- **Community Infrastructure Organisation (CIO) funding:** recent changes in voluntary sector arrangements in Leicestershire require the Council to fund Voluntary Action Leicestershire, the CIO, which in turn

provides resources to Voluntary Action Charnwood and similar organisations across Leicestershire

- **Strategic Partner funding:** medium term funding that will be agreed with selected 'Partner' organisations covering a three year period; this will be subdivided in initial years to allow the Council to increase diversification of this type of funding in initial years
- **Community Development project funding:** funding for substantial projects, up to a maximum of £15,000, that must be applied for on an annual basis; this funding is open to both Strategic Partners and other organisations
- **Community Engagement funding:** funding for small community groups and individuals, up to a maximum of £500, designed to encourage a range of small-scale community-led activities

The indicative funding profile for each of these funding streams over the next three years is set out below:

TABLE 2: Proposed Community Grants scheme funding profile

All figures £'000	2007/08	2008/09	Actual 2009/10	3-year average	Budget 2010/11	Projected 2011/12	2012/13
Voluntary Action Charnwood	19	34		Combined 26			
Voluntary Action Leics (CIO)			25			25	25
Strategic Partner funding - initial							
- Actual	222	228	233	228			
- Funding profile - based on 3-year average					90%	85%	80%
- Future proposed core funding					205	194	182
Strategic Partner funding - new	0	0	0	0	30	30	30
Community Development projects	42	47	75	55	42	53	65
Community Engagement funding	8	6	3	6	6	6	6
Festive lighting	5	5	5	5	0	0	0
	296	320	341	319	308	308	308

If approved by Cabinet this proposal would commit the Council to fund amounts within the block shading in the above table. This would be £308,000 (to nearest £000 and £307,700 exactly) for 2010/11, as already allocated within the budget for this year, and then, subject to the normal budget approval process for those years, £224,000 for 2011/12 and £212,000 for 2012/13 to cover funding promises to strategic partners.

A feature of the above funding profile is the reducing funds that will be allocated to initial Strategic Partners. In principle, organisations will be selected as Strategic Partners based on the alignment of their activities to Council priorities, their track record in delivering programmes and projects, and their ability to demonstrate effective and value for money outcomes. In practice the Council recognises that it already has a number of de facto Strategic Partners who it has funded over a number of years and that cessation of funding to these organisations while the Council

reviews its existing Strategic Partner relationships is highly undesirable. The funding profile set out above is therefore designed to provide a transition between the current funding arrangements and a future state where funding is fully aligned to Council priorities, and also incentivise these organisations to seek additional funding (possibly by making an application for funding from the Community Development funding stream).

The initial Strategic Partner list together with the funding they would receive in the financial years 2010/11 to 2012/13 inclusive, based on the above funding profile is set out below:

TABLE 3: List of proposed initial Strategic Partners with 2010 – 2013 funding profile

	2007/08	2008/09	2009/10	Average last 3 years	Percentage award	Percentage award	Percentage award
Voluntary Action Chamwood	19,200	34,000	0	n/a	0	0	0
Voluntary Action Leicestershire (CIO)			25,000	n/a	25,000	25,000	25,000
					90%	85%	80%
John Storer House Foundation	55,000	42,100	44,000	47,033	42,330	39,978	37,627
Chamwood CAB	70,000	71,800	73,600	71,800	64,620	61,030	57,440
Fearon Hall ex repairs	35,300	34,500	35,400	35,067	31,560	29,807	28,053
Gorse Covert ex repairs	22,900	23,500	24,100	23,500	21,150	19,975	18,800
Loughboro Womens Aid	6,000	16,835	20,000	14,278	12,850	12,136	11,423
CREC/HREC	9,350	15,000	15,000	13,117	11,805	11,149	10,493
Ekota Project/Bangladeshi Com Proj	10,872	10,700	11,462	11,011	9,910	9,360	8,809
Victim Support	5,382	5,570	5,736	5,563	5,006	4,728	4,450
St Peters Community Centre	7,333	7,500	3,500	6,111	5,500	5,194	4,889
	222,137	227,505	232,798	227,480	204,732	193,358	181,984

Strategic Partners will be expected to provide a business plan, annual reports and accounts for monitoring purposes. This information will be used in place of the application process to monitor the community needs which the organisation is meeting and its organisational need for grant funding from the Council. For each Strategic Partner, there will be a relationship manager who will meet with the organisation regularly.

The funding profile also allows for New Strategic Partners. Voluntary Action Syston and Voluntary Action Shepshed have been identified to ensure a reasonable geographical spread of funding across the Borough. There is also funding scope for other organisations yet to be identified; if no such organisations are identified then amounts may be vired to other funding streams. Funding for New Strategic Partners is set out below:

TABLE 4: List of proposed New Strategic Partners with 2010 – 2013 funding profile

	Budget	Projected	
	2010/11	2011/12	2012/13
Voluntary Action System	10,000	9,500	9,000
Voluntary Action Shepshed	10,000	9,500	9,000
Other - flexible, subject to identification	10,000	11,000	12,000
	30,000	30,000	30,000

Ongoing assessment of Strategic Partners

Strategic Partner status would bring the benefit of stable funding and the contribution of Council officers to voluntary organisations. In return, voluntary organisations will be expected to demonstrate delivery of outcomes aligned to Council priorities and a clear need for Council funding.

A medium-term funding arrangement for Strategic Partners is proposed in the form of a three year agreement which is reviewed during the second year to determine whether it should be extended at the end of the third year. This is in line with the Council's other financial planning horizons. Such an approach would also ensure that the identified benefits of more stability and resilience for supported organisations and the Council's ability to influence them were met while providing sufficient flexibility to prevent the Council responding to budgetary pressures, organisations becoming unhealthily dependent on Council funding and the Council being unable to redirect funding to new and dynamic organisations.

A set of eligibility criteria for Strategic Partner status will be created and refined in the period to 31 March 2011, with the benefit of full and detailed consultation, to set out ongoing eligibility criteria for Strategic Partner status.

Assessment of grant applications

It is proposed that grant applications for Community Development and Community Engagement funds are assessed on the principles of Community Need and Organisational Need; how the project meets the Council's aims and objectives in meeting identified community needs and why grant funding from the Council is necessary to enable the project to succeed. Both measures will seek to demonstrate the value for money to be obtained in providing grant funding.

The proposed criteria against which grants will be assessed are set out in the following tables covering Community Need criteria and Organisational Need criteria:

TABLE 5: Proposed criteria against which grant applications will be assessed – community need

	Criteria (question to be presented on Community Grants scheme application)	Derivation of criteria		
		<i>Corporate Plan objectives</i>	<i>SCS¹ objectives</i>	<i>LAA² objectives</i>
1	How does your project promote stronger, cohesive and balanced communities (in particular encouraging people from different backgrounds to get along together)?		To promote stronger, cohesive and balanced communities having regard to changes in demographics, for example would be influencing the type of housing provision.	Leicestershire is integrated, cohesive and inclusive.
2	How does your project promote well-supported volunteering opportunities?			Well-supported volunteering opportunities are provided within and by the community.
3	How does your project promote health and well-being (in particular promoting healthy eating, physical activity, sexual health and mental health)?	To ensure people have healthier lifestyles.	To promote health and well being, for example by ensuring that residents have access to health care, local parks, green spaces and natural environment, the countryside and facilities for sport and recreation, creative and community activities.	Improved health outcomes for people in Leicestershire including a reduction in health inequalities. Improved mental health and well being. More people are physically active at a level which makes them healthier. Obesity is reduced and there has been an increase in healthy eating in all age groups. Improved sexual health, particularly for young people.
4	How does your project reduce smoking and the harm caused by drug and alcohol misuse)?			The harm caused by drug and alcohol misuse is reduced in local communities. Fewer people smoke.
5	How does your project reduce the impact of crime and anti-social behaviour?	To reduce crime and anti-social behaviour and improve public confidence.	To protect and reassure our communities through the reduction of crime, anti-social behaviour and the fear of crime.	The lives of offenders and those at risk of offending are improved so they are less likely to offend.
6	How does your project improve the quality of life of people living in priority neighbourhoods?	To improve the quality of life for people living in our priority neighbourhoods	To reduce social exclusion and deprivation and increase educational attainment particularly in those parts of the Borough identified as areas of relatively higher need in particular the priority neighbourhoods of Loughborough East, Loughborough West, Mountsorrel and South Charnwood.	
7	How does your project improve the well-being of residents through acknowledging their diverse needs?	People - We will improve the wellbeing of residents, acknowledging their diverse needs	To secure the provision of accessible facilities and services to meet the needs of all local people, having regard to the particular needs of the young, old and "hard to reach".	

¹ Sustainable Communities Strategy

² Local Area Agreement

	Criteria (question to be presented on Community Grants scheme application)	Derivation of criteria		
		<i>Corporate Plan objectives</i>	<i>SCS¹ objectives</i>	<i>LAA² objectives</i>
8	How does your project enable children, young people and older people to make a positive contribution to the communities in which they live?	To consider and involve Children and Young People in the design and delivery of our services		Children and young people achieve economic well-being Children and young people make a positive contribution Older people are empowered to play an active part in the community
9	How does your project enable older people to live independent lives?			More older people are able to live independent lives

TABLE 6: Proposed criteria against which grant applications will be assessed – Organisational Need

	Criteria	What a successful application will demonstrate	Notes
1	Have you identified a realistic total cost and timetable for the project?	The organisation demonstrates that costs and timescales have been researched, for example through obtaining quotes or using reliable information from previous years.	Project costs can include the annual work of an organisation such as staffing and overheads but a successful application in one year does not guarantee that subsequent applications will be successful.
2	Have you sought to obtain other funding to enable the project to begin?	The organisation demonstrates that it has sought funding from other sources and that the amount sought from the Council is necessary to secure match funding or because other sources of funding are not available.	
3	What balances and reserves do you have available?	The organisation demonstrates that it follows relevant guidance on maintaining general balances and reserves and that earmarked reserves reflect its long term strategy. The organisation has considered whether it can fund the activity from its balances.	
4	What proportion of the cost of the project is the Council being asked to fund?	The organisation demonstrates that the level of funding sought from the Council is justified.	There are no quantitative limits on the proportion of funding that the Council will provide. In order to justify the Council providing a large proportion of the cost of a project the project will need to show that the project meets a community need (see community need above) and that other funding options (see items 2 and 3 in this table) are unable to provide the necessary funding.
5	Geographical location	The Council seeks to support a diverse community and voluntary sector including organisations with a range of geographical locations within Charnwood. No specific geographically based conditions or targets will be applied to grant awards but the assessment of need will take the geographical distribution of grants across the Borough into account.	

Consultation

A wide range of consultation has been undertaken in the course of the review. Consultees include the Charnwood Voluntary and Community Sector Forum, Voluntary Action Leicestershire, individual voluntary organisations and other Charnwood officers engaged with the voluntary sector.

The results of consultation are set out in Appendix 3 to the main Service Review document (presented as an annex to this report). The responses to the second round of consultation have not all been received and will be presented in a supplementary report.

Financial Implications

Adopting the recommendations of this report would result in the total budget for Community Grants in 2010/11 reducing from £336,800 to £307,700, in line with savings target associated with this review.

The proposed scheme would commit the Council, subject to the normal budget approval process for those years, to minimum funding of £224,000 in financial year 2011/12 and £212,000 for financial year 2012/13.

Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
The new Community Grants scheme could be seen as somewhat arbitrary in construction, particularly with regard to the initial funding allocations to 'Strategic Partners'.	Medium	Low	There are mechanisms within the proposed scheme to address anomalies in initial funding patterns in the medium term.
The Council may not be able to maintain ongoing funding to the Community Grants scheme in line with commitments to Strategic Partners.	Low	High	The funding profiles have been designed to restrict the Council's financial commitment in the next three financial years at levels well below 2009/10 funding levels.
Grant funding may not deliver value for money outcomes (or it may not be possible to demonstrate that value for money from the Grants scheme is being achieved).	Medium	Medium	Mechanisms within the proposed scheme can be invoked to address such issues in the medium term. The distribution of grants will be monitored against the new community need criteria, in terms of geographical distribution and across different equalities groups.

Key Decision:

Yes

Background Papers:

Consultation letters and responses

Officer(s) to contact:

Simon Jackson 01509 634699

simon.jackson@charnwood.gov.uk

Michael Hopkins 01509 634785

michael.hopkins@charnwood.gov.uk

SERVICE REVIEW OF COMMUNITY GRANTS

1. Purpose of this document

This document sets out the findings of the Service Review that has been undertaken in respect of the Community Grants scheme and makes recommendations for the future delivery of this service.

2. Report ownership

Principal author: Michael Hopkins
Head of Service: Not applicable
Responsible Director: Simon Jackson
Lead Member: Cllr Paul Harley

3. Scope of this review, savings target and other objectives

The scope of this Service Review covers all grants funded by the following cost centres in 2009/10:

- C301 Community Services (SLAs)
- C302 Fearon Hall
- C304 Community Grants – Non-SLAs
- C305 Gorse Covert Community Centre

Savings target

The savings target for this Service Review is as follows:

Savings target - all numbers in £000

Cost centre	Original Budget 2009/10	Draft Base Budget (including memo savings) 2010/11	Subsequent Years
C301 Community Services (SLAs)	152	0	
C302 Fearon Hall	38	0	
C304 Community Grants - non-SLAs	117	337*	(*To be reallocated)
C305 Gorse Covert Community Centre	25	0	
Sub-total	331	337	
Savings target 2010/11		(29)	
Target cost of service – 2010/11		308	
Additional savings target – 2011/12 et seq			0
Target cost of service – 2011/12 et seq			308

Other objectives of this Service Review

The other objectives of this Service Review are:

- To ensure that future grant allocations are fully aligned to the Council's priorities
- To enhance the transparency of the grants allocation process and enable voluntary organisations to fully understand the Council's criteria in awarding grants
- To redesign the grants allocation process in the light of the new Leicestershire 'Compact' (currently at draft stage) which will provide good practice guidelines for the development of working relationships between Public Sector and Third Sector organisations
- To improve the efficiency of the grants allocation process resulting in payment to successful applicants earlier in the financial year and lower use of Council staff resources

Out of scope activities

- The operation of a £400,000 capital fund that was created to disburse grants for the creation of Community Facilities; this fund is now substantially disbursed and this capital grants scheme is drawing to a natural conclusion
- Reducing funding in other revenue grant pots covering Sports, Arts, Historic Buildings and Social Enterprises in that are within budgets outside of the Governance and Procurement Directorate; decisions regarding the future of Arts and Social Enterprise Grants will be taken separately through the budget process
- The operations and effectiveness of the new County-wide organisation 'Voluntary Action Leicestershire, ('VAL') which was set up to coordinate and support local voluntary groups

4. Current service description

The Community Grants Budget enables the Council to offer financial support to the voluntary and community sector as a way of promoting our objectives and as an alternative to the direct provision of services.

Historically, a significant proportion of the budget has been earmarked for specific organisations with whom the Council has developed formal long term relationships. These organisations are:

- Citizens' Advice Bureau
- Voluntary Action Charnwood / John Storer House
- Gorse Covert
- Fearon Hall
- Albert Street Artists

The funding arrangements that the Council has in place with these organisations typically goes back a number of years. Over time the original rationale for funding has been lost and replaced by ongoing custom and practice and it has become difficult to justify the funding amounts or even why continuation of any funding represents good value for the Council. In practice all of the above organisations are considered to make a valuable contribution to their respective communities but it is now considered appropriate to review the basis on which funding to these organisations is offered.

The remainder of the budget is awarded in the form of one-off annual grants for various activities under the Community Development umbrella and grants to Parish Councils for Festive Lighting. Organisations applying for these grants must complete an application form and supply supporting information, such as bank statements, accounts and relevant policies. Applications are assessed by specialist officers within the Council and then considered by the Charnwood Grants Panel. The Panel is made up of senior officers and meets every month or every other month depending on the volume of applications. The Panel also considers applications made under the other grant funding schemes set out above in the out of scope activities. The Panel has delegated authority to award grants where the sum applied for is less than £20,000. Larger applications are determined by the Cabinet following a recommendation from the Panel.

While these are annual awards our records show that many organisations such as Human Rights & Equalities Charnwood, and Loughborough Women's Aid, have received substantial funding in all recent years. In contrast, the Council has also awarded a number of ad hoc smaller grants (amounts below £500) to organisations such as play schemes, football teams and even to specific individuals as contributions towards overseas expeditions.

A record of all contributions over the past three years is shown at Appendix A

5. Future options for the service

The principal options for the Community Grants scheme going forward can be summarised as follows:

Option 1 – Cease the Community Grants scheme

In theory this approach can be considered and would generate savings against the 2009/10 baseline in excess of £300,000. Immediate cessation of funding could not be undertaken without having a very material and adverse impact on many well established voluntary organisations. In addition, this approach creates a significant risk that the Council decision could, in respect of some voluntary organisations, be subject to a judicial review similar to that in respect of Leicester City Council (see R (Capenhurst) v Leicester City Council [2004] EWHC 2124 (Admin) - this case raised several issues about fair consultation processes by public bodies when funding community organisations). However, an approach which aimed to cease funding over an extended timetable would be viable.

In practice the Council has a clear understanding of the value provided by contributions to voluntary sector organisations. While budgetary constraints will

reduce the overall availability of grant funding (£308,000 is allocated within the draft 2010/11 budget) the remaining amount still enables the Council to provide substantial support to the voluntary sector.

Given the potential of the voluntary sector to provide substantial benefit to Charnwood residents and the ongoing ability of the Council to support the voluntary sector within the Borough, this Option is rejected, and will not be considered further in this report.

Option II – Operate the scheme in line with present custom and practice

This Option would simply see the operation of the Community Grants scheme with the continuation of existing custom and practice, within the new budgetary constraints. This Option is feasible but does not address the need to more fully align the Community Grants scheme with the Council’s priorities and best practice. If this Option was adopted it is unlikely that the Council would be able to demonstrate that funding allocations were aligned to Council priorities or provided good value for money. For this reason this Option is rejected, and will not be considered further in this report.

Option III – Create new arrangements for the disbursement of Community Grants

Options for either cessation of the Community Grants scheme or continuing with the current grants allocation arrangements, as discussed above, are not attractive. The remainder of this report therefore considers the development of new arrangements for the disbursement of Community Grants. The new arrangements for the disbursement of grants would seek to support a diverse and thriving community and voluntary sector which provides opportunities for regular volunteering and work with it to deliver projects and services in an effective, local, community-led manner as an alternative to direct provision by the Council.

6. Key issues a revised Community Grants allocation process should address

Having established the basis for the new Community Grants scheme in section 5, the Terms of Reference for this Service Review stated that it would address a number of broad questions in establishing the new allocation process. Each of these questions is considered below in tabular format.

A. What sort of organisations should the Council be funding?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
A1	Focus on larger and well-established voluntary groups	<ul style="list-style-type: none"> + More resilient and stable organisations + Well developed service delivery infrastructure + Greater ability to articulate and measure benefits arising from funding 	<ul style="list-style-type: none"> - Could lead to stasis; new and dynamic organisations fail to develop - Reduced variety in overall range of service provision or geographical reach

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
A2	Focus on small organisations and individuals, possibly combined with a maximum grant	<ul style="list-style-type: none"> + Greater spread of grant awards across range of services and geographies + Greater number of awards; seen as benefiting a larger number of people 	<ul style="list-style-type: none"> - Lack of focus; difficult to ensure alignment of awards with priorities - More difficult to ensure all grant recipients are fully deserving - Administration effort in making awards
A3	Funding for mixed variety of organisations, possibly with designated funding pots	<ul style="list-style-type: none"> + Combines benefits of both of the above options + Sophisticated approach may enable mitigation of some disadvantages + Consistent with previous custom and practice 	<ul style="list-style-type: none"> - Potential issues as outlined above for both of the above options

Proposal for revised Community Grants scheme:

- The Council will continue to support a range of voluntary organisations, both large and small, through the Community Grants scheme

B. What are the criteria the Council should use to assess applications for grant funding?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
B1	There are no specific criteria; grant applications are assessed on a case by case basis	<ul style="list-style-type: none"> + The Council is allowed to consider the widest possible range of opportunities for funding the voluntary sector + Offers flexibility in scheme; awards may be redirected to different communities and service requirements at will 	<ul style="list-style-type: none"> - Assessment of grant applications is likely to be time consuming - Difficult to demonstrate consistency and transparency in grant awards; awards will always be open to query and dispute
B2	Existing practice; grant applications are assessed against broad corporate objectives extracted from the Council's corporate plan	<ul style="list-style-type: none"> + Similar to those set out above; less exaggerated 	<ul style="list-style-type: none"> - Similar to those set out above; less exaggerated but clearly demonstrated through experience of the current Community Grants scheme - Could lead to perception that awards are politically driven or too focussed on Council's priorities
B3	Grant applications are assessed against more detailed and specific criteria derived from the corporate plan, local area agreements and the Sustainable Communities Strategy	<ul style="list-style-type: none"> + Can achieve and demonstrate close alignment to the Council's corporate objectives + Easier to demonstrate consistency and transparency in grant awards + Provides clear framework based on previous community consultation 	<ul style="list-style-type: none"> - Detailed work and consultation will be required to create the specific criteria - Some grants that are currently awarded may be automatically disqualified from the new scheme

Proposal for revised Community Grants scheme:

- Alignment of grants funding to corporate priorities and increasing the transparency of grant allocations are key objectives of this Service Review; the

revised Community Grants scheme will therefore use more detailed and specific criteria in assessing grant applications

C. Should the Council create (or maintain) longer term funding arrangements with ‘strategic partner’ organisations?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
C1	Council does not maintain longer term funding arrangements with any voluntary organisation	<ul style="list-style-type: none"> + The Council has no ongoing commitment to any voluntary organisation; funding can be varied easily dependent on budget conditions and redirected as needs present themselves + Voluntary organisations should not become dependent on Council funding 	<ul style="list-style-type: none"> - Some voluntary organisations become less effective and less stable due to uncertainty in future funding - Medium and long term planning for affected organisations becomes very difficult due to uncertainty in future funding - Contrary to best practice funding guidance
C2	Council maintains longer term funding arrangements with selected partner organisations	<ul style="list-style-type: none"> + Voluntary organisations become more effective as their stability, resilience and ability to plan for the medium and longer terms is enabled by certainty in funding streams + The Council is able to influence voluntary sector service delivery, offering closer alignment to Council priorities, through the development of longer term partner relationships + Various ‘Compacts’ between Public and Third Sector organisations typically cite longer term funding arrangements as being ‘good practice’ 	<ul style="list-style-type: none"> - The Council becomes committed to certain organisations; its ability to adjust funding due to budgetary pressure is restricted - Some organisations become unhealthily dependent on Council funding; some may become overly lazy in seeking alternative funds - Could lead to stasis; new and dynamic organisations fail to develop

Proposal for revised Community Grants scheme:

- Some form of longer term funding arrangements will be appropriate for selected organisations with whom the Council wishes to develop a ‘strategic partner’ arrangement

D. Should the Council aim to distribute grants across all areas of the Borough?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
D1	No geographical targets or conditions are applied to grant awards	<ul style="list-style-type: none"> + Allows grants to be awarded in line with other identified criteria or priorities 	<ul style="list-style-type: none"> - Perception from some areas of the Borough that the grants process is unfair and biased

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
D2	Specific geographical targets or conditions are applied to grant awards	<ul style="list-style-type: none"> + Importance of geographical balance, and the need to be seen to be fair across the Borough, is fully reflected in grants funding + Funding may be targeted at priority neighbourhoods + Limited history of significant grants being awarded to organisations based outside of Loughborough; addresses historical imbalance 	<ul style="list-style-type: none"> - Achievement of geographical balance may result in dilution of other objectives - Limited history of significant grants being awarded to organisations based outside of Loughborough; may reflect lack of suitable organisations with which to work
D3	No specific geographical targets or conditions are applied to grant awards but the awarding process will take geographical balance into account	<ul style="list-style-type: none"> + Allows geographical balance to be considered without prejudicing other objectives of grants funding 	<ul style="list-style-type: none"> - Loose specification; difficult to demonstrate objective of geographical balance met

Proposals for revised Community Grants scheme:

- Given the existing distribution of grants funding a specific set of geographically based conditions or targets is likely to dilute the ability of the overall grants scheme to deliver other Council objectives in the initial operation of the new grant awarding arrangements; however, the award process will take geographical balance into account
- In future years, as the distribution of grants becomes more aligned to Council objectives, more specific geographical conditions and targets may be introduced

E. What funding or performance conditions (for example, service level targets) should be attached to grant funding?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
E1	No targets or conditions are attached to grant awards	<ul style="list-style-type: none"> + No added bureaucracy for either the Council or voluntary organisations 	<ul style="list-style-type: none"> - No ability for either the Council or voluntary organisations to demonstrate that the grant awarded was value for money - No ability for the Council to tailor grant awards to meet specific priorities or provide direction/incentives to voluntary organisations
E2	Targets and conditions are applied to all grants	<ul style="list-style-type: none"> + Demonstrates for both the Council and voluntary organisations that the grant awarded was value for money + Council able to tailor grant awards to meet specific priorities and provide direction/incentives to voluntary organisations + Can assist in the development of small organisations 	<ul style="list-style-type: none"> - Added bureaucracy for both the Council and voluntary organisations - Inexperienced organisations can be overoptimistic in what can be achieved

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
E3	Mixed approach: targets and conditions are applied to all grants to partner organisations and/or grant awards over certain amounts	+ Ability to create targeted monitoring arrangements for major grants and mitigate required bureaucracy	- Some additional bureaucracy will be necessary

Proposal for revised Community Grants scheme:

- Performance monitoring agreements will be applied to material grant awards; smaller grant awards, typically to smaller organisations, will be lightly monitored

F. What information should organisations supply in support of their grant applications?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
F1	Retain approach set out in current draft application form; information requested relates to size of voluntary organisation	+ Consistency with existing approach; experience of the existing approach appears reasonable	- May appear over bureaucratic to voluntary organisations - Existing document set may be too 'backward looking'

Proposal for revised Community Grants scheme:

- Information requested from applicants will be modified but based on the existing document set

G. What is the appropriate level of grant funding or proportion of the grants budget that should be determined by Cabinet?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
G1	Cabinet review all grants as and when awarded	+ Cabinet give specific authorisation for each grant awarded	- Excessive use of Cabinet time - Difficult for Cabinet to be consistent in approach across many grant requests
G2	Cabinet review all grants over a certain value	+ Consistency with existing approach	- Targeted use of Cabinet time - Cut-off will be inevitably arbitrary; potential for 'games' where applications just below the cut-off amount are submitted
G3	Cabinet review all grants to designated 'partner' organisations	+ Good focus on key partner relationships	- Targeted use of Cabinet time - Some material grants may not get Cabinet approval
G4	Cabinet review all grant applications in one or few award 'rounds'	+ Specific Cabinet authorisation for each grant award + Considering grants en bloc allows easier ranking of applications and better decision making + Focussed use of Cabinet time	- Limited time window for grant applications to be considered

Proposal for revised Community Grants scheme:

- Organising the grants allocation process to allow Cabinet to review many grants in one sitting offers significant benefits in decision making

7. Design principles for the new Community Grants scheme

The conclusions drawn from the previous section can be summarised as a set of design principles which will underpin the design of the proposed new Community Grants scheme, as follows:

Summary of design principles

	<i>Design aspect</i>	<i>Design principle</i>
A	Types of organisations to be funded	The Council will continue to fund a wide range of voluntary organisations, both large and small
B	Criteria for assessing applications for grant funding	Grants will be awarded on the basis of detailed and specific criteria derived from the Council's Corporate Plan, the Sustainable Communities Strategy and the Local Area Agreement
C	Approach to creating longer term funding arrangements	Longer term funding arrangements will be introduced for selected organisations with whom the Council wishes to establish 'strategic partner' relationships
D	Allocations of grants based on geography and location	Initially, there will be no specific geographically based conditions or targets; however, part of the assessment of need will take the geographical distribution of grants across the Borough into account (In future years more specific conditions or targets may be introduced)
E	Funding and Performance conditions attaching to grants	Performance monitoring agreements will be applied to material grant awards; small grant awards will be much more lightly monitored
F	Information to be supplied in support of grant applications	Information required will be based on the current Community Grants scheme
G	Cabinet authorisation thresholds	There will be no specific threshold set beyond which grant awards within a funding stream require Cabinet approval; rather, Cabinet will review proposed grant awards 'en bloc' to facilitate qualitative ranking of applications. Separate small grants stream will be determined by Grants Panel.

8. Overview of the new Community Grants scheme

Funding projections

The draft budget for Community Grants for 2010/11 is £308,000 (to nearest £000). This compares to funding of £341,000 in 2009/10, £320,000 for 2008/09 and £296,000 for 2007/08. Going forward, the Medium Term Financial Strategy indicates that successful realisation of Service Review Programme (of which this Review forms a part) would enable the Council to sustain Community Grants funding at this level.

In designing the revised Community Grants scheme it is therefore assumed that the total funding 'pot' for 2010/11 £308,000, as per the draft budget and that funding will be maintained at this level for 2011/12 and 2012/13. However, should reduced

overall funding levels be required the funding model presented below could be modified using the same principles to produce any savings required.

Funding allocations

Future Community Grant funding will be split into four 'streams', or 'pots', as follows:

- **Community Infrastructure Organisation (CIO) funding:** recent changes in voluntary sector arrangements in Leicestershire require the Council to fund Voluntary Action Leicestershire, the CIO, which in turn provides resources to Voluntary Action Charnwood and similar organisations across Leicestershire
- **Strategic Partner funding:** medium term funding that will be agreed with selected 'Partner' organisations covering a three year period; this will be subdivided in initial years to allow the Council to increase diversification of this type of funding in initial years
- **Community Development project funding:** funding for substantial projects, up to a maximum of £15,000, that must be applied for on an annual basis; this funding is open to both Strategic Partners and other organisations
- **Community Engagement funding:** funding for small community groups and individuals, up to a maximum of £500, designed to encourage a range of small-scale community-led activities

The indicative funding profile over the next three years is set out below:

Indicative Community Grants funding profile

All figures £'000	2007/08	2008/09	Actual 2009/10	3-year average	Budget 2010/11	Projected 2011/12	2012/13
Voluntary Action Charnwood	19	34		Combined 26			
Voluntary Action Leics (CIO)			25			25	25
Strategic Partner funding - initial							
- Actual	222	228	233	228			
- Funding profile - based on 3-year average					90%	85%	80%
- Future proposed core funding					205	194	182
Strategic Partner funding - new	0	0	0	0	30	30	30
Community Development projects	42	47	75	55	42	53	65
Community Engagement funding	8	6	3	6	6	6	6
Festive lighting	5	5	5	5	0	0	0
	296	320	341	319	308	308	308

As can be seen from this table it is proposed that grants to Parishes for festive lighting will be discontinued under the updated Community Grants scheme.

Community Infrastructure Organisation funding

The Council's funding commitment for Voluntary Action Leicestershire, the CIO, is negotiated amongst all of the County's local authorities and is assumed at £25,000 based on existing funding levels. In theory this funding provides the community with the same level of service as previous funding for Voluntary Action Charnwood. For the purposes of this analysis it is assumed that the Council is committed to continue funding at £25,000 in the medium term; however, at the time of writing negotiations around future CIO funding are continuing.

Strategic Partners and Strategic Partner funding

In principle, organisations will be selected as Strategic Partners based on the alignment of their activities to Council priorities, their track record in delivering programmes and projects, and their ability to demonstrate effective and value for money outcomes. The Council will work closely with Strategic partner organisations on an ongoing basis to influence Partner programmes and projects; in return the Council will commit to an ongoing 'core' funding relationship over a three year period that will offer those organisations operational stability and facilitate planning and budgeting processes.

The Council recognises that it already has a number of de facto Strategic Partners who it has funded over a number of years and that cessation of funding to these organisations whilst the Council reviews its Strategic Partner relationships and undertakes appropriate levels of community consultation is highly undesirable. The funding profile set out above is therefore designed to:

- Provide a transition between the current funding arrangements developed through custom and practice over a number of years and a future state whereby Strategic Partner funding is explicitly aligned to Council priorities, and the needs of individual organisations
- Reduce the proportion of committed Strategic Partner funding in relation to funding allocated for specific projects

The latter feature of the funding profile is designed to incentivise organisations initially identified as Strategic Partners to seek additional funding (possibly by making an application for funding from the Community Development pot) as well as ensuring that the Council is able to keep its funding promises (indicated by the block shading in the table presented above).

Initial eligibility for Strategic Partner status and proposed initial Strategic Partner list

Strategic Partner status brings the benefit of stable funding and the contribution of Council officers to voluntary organisations. In return, voluntary organisations will be expected to demonstrate delivery of outcomes aligned to Council priorities and a clear need for Council funding. As noted above, we recognise that the Council already has a number of de facto Strategic Partners. We also recognise the need to

provide as much clarity as possible for the organisations we currently fund and that development of a robust set of eligibility criteria which has been subject to a rigorous consultation process is not likely to be possible in the short time period before grants need to be paid out. We have therefore created interim criteria for selection of the Council's initial Strategic Partners in order to facilitate prompt disbursement of grants as follows:

- The Council has provided grants funding in each of financial years 2007/08, 2008/09 and 2009/10
- The average of such funding in those three years exceeds £5,000
- The activities of the organisation appear broadly aligned to the revised criteria for grants funding set out in subsequent paragraphs.

The table below shows the list of proposed initial Strategic Partners together with their individual funding profiles over the next three years based on the funding model above.

List of proposed initial Strategic Partners with 2010 – 2013 funding profile

	2007/08	2008/09	2009/10	Average last 3 years	Percentage award	Percentage award	Percentage award
Voluntary Action Chamwood	19,200	34,000	0	n/a	0	0	0
Voluntary Action Leicestershire (CIO)			25,000	n/a	25,000	25,000	25,000
					90%	85%	80%
John Storer House Foundation	55,000	42,100	44,000	47,033	42,330	39,978	37,627
Chamwood CAB	70,000	71,800	73,600	71,800	64,620	61,030	57,440
Fearon Hall ex repairs	35,300	34,500	35,400	35,067	31,560	29,807	28,053
Gorse Covert ex repairs	22,900	23,500	24,100	23,500	21,150	19,975	18,800
Loughboro Womens Aid	6,000	16,835	20,000	14,278	12,850	12,136	11,423
CREC/HREC	9,350	15,000	15,000	13,117	11,805	11,149	10,493
Ekota Project/Bangladeshi Com Proj	10,872	10,700	11,462	11,011	9,910	9,360	8,809
Victim Support	5,382	5,570	5,736	5,563	5,006	4,728	4,450
St Peters Community Centre	7,333	7,500	3,500	6,111	5,500	5,194	4,889
	222,137	227,505	232,798	227,480	204,732	193,358	181,984

One organisation was excluded from the initial list of Strategic Partners due to inadequate alignment with the proposed new Community Grants scheme criteria. This is the Co-operative and Social Enterprise Development Association (Case-da) who have regularly applied for grants to run projects in support of social enterprises. In revising the Community Grants scheme criteria the broad economic development agenda has been deemed outside of the scope of the grants scheme and as such Case-da's activities would not generally be supported through the grants process. However, Case-da would still be welcome to apply for a Community Development

grant if their project was well aligned to other Council objectives, such as improving the lives of residents in 'Priority Neighbourhoods'.

Three organisations who have been regular recipients of grant funding, Albert Street Artists, the Rural Community Council and Youth Arts, have been omitted from the list as average contributions have been below £5,000. All of the above remain welcome to apply for a Community Development Grant.

Ongoing Strategic Partner funding arrangements

It is proposed that the medium-term funding arrangement for Strategic Partners should be in the form of a three year agreement which is reviewed during the second year to determine whether it should be extended at the end of the third year. This is in line with the Council's other financial planning horizons. Such an approach would also ensure that the identified benefits of more stability and resilience for supported organisations and the Council's ability to influence them were met while providing sufficient flexibility to prevent the Council responding to budgetary pressures, organisations becoming unhealthily dependent on Council funding and the Council being unable to redirect funding to new and dynamic organisations.

The funding profile presented shows reducing grant funding for all Strategic Partners in the next three years. Beyond this date, as both the grant award criteria and Strategic Partner list are refined it is possible that individual organisations could see an increase in funding levels. This would clearly be a matter subject to the overall availability of grant funding.

Ongoing eligibility for Strategic Partner status

A set of eligibility criteria for Strategic Partner status will be created and refined in the period to 31 March 2011. This will enable full and wide consultation to occur. The criteria will reflect the criteria for the award of all Community Grants and the rights and obligations that come with Strategic Partner status. It will also enable all the support provided to organisations to be considered together; for example the Council currently provides the payroll service for Fearon Hall. It is envisaged that organisations initially selected as Strategic Partners will be evaluated against these more rigorous criteria early in 2012; this evaluation will contribute to the Council's decision as to whether it wishes to extend funding to individual organisations in line with the process for determining ongoing funding arrangements as described above.

As the revised scheme becomes embedded it is anticipated that some organisations will have Strategic Partner status withdrawn while other organisations will be invited to become new Strategic Partners. It is also anticipated that the list of Strategic Partners will be formally reviewed, amended as appropriate and ratified by Cabinet on a periodic basis.

New Strategic Partners and earmarked funding

In order not to restrict Strategic Partner status to existing organisations an amount has been earmarked for new Strategic Partners in the first years of operation of the revised Community Grants scheme.

The Council has identified the need to take the geographical distribution of grants into account in assessing need. In reviewing the geographical distribution of Strategic Partner organisations, the Council proposes to establish new Strategic Partner relationships with Syston Volunteer Centre and Shepshed Volunteer centre during the course of 2010/11. The budget allocated to the new Strategic Partner funding stream incorporates funding for this purpose and for any other organisations that may be identified subsequently.

The table below shows the list of proposed new Strategic Partners together with their individual funding profiles over the next three years based on the funding model above. The balance of the new Strategic Partners funding remains for any new partners that are identified over this period. If no additional new Strategic Partner organisations are identified these earmarked funds could be vired to other Community Grant funding pots.

List of proposed new Strategic Partners with 2010 – 2013 funding profile

	Budget	Projected	
	2010/11	2011/12	2012/13
Voluntary Action Syston	10,000	9,500	9,000
Voluntary Action Shepshed	10,000	9,500	9,000
Other - flexible, subject to identification	10,000	11,000	12,000
	30,000	30,000	30,000

Community Development project funding

This 'pot' is designed to provide one-off funding for specific Community Development projects of amounts up to £15,000. The application process will make clear that this funding is on an ad hoc basis and that successful applications in any one year will not create any sort of funding precedent. There will be no restrictions on who can apply and Strategic Partners will not therefore be prevented from making an application should they wish to top-up their funding for the year. The conditions for this grant funding will be relatively onerous and the Council will expect, inter alia, that applicants will monitor the progress of projects and be able to demonstrate the outputs and outcomes that arise.

Community Engagement funding

Community Engagement grants will be set at a maximum of £500 for any individual organisation in the financial year. This earmarked fund is designed to allow the Council to provide a small level of grant assistance to a wide variety of organisations; it is envisaged that the terms and conditions attached to such grants will not be onerous.

Criteria for assessing grant applications

Applications will be assessed against two measures of need: how the project meets the Council's aims and objectives in meeting identified community needs and the need of grant funding from the Council to enable the project to succeed. Both measures will seek to demonstrate the value for money to be obtained in providing grant funding.

Community need

In order to develop a set of criteria to assess community need, the aims and objectives set out in the Council's Corporate Plan, the Charnwood Sustainable Community Strategy (SCS) and the Leicestershire Local Area Agreement (LAA) were analysed with a view to identify those which could be effectively met through the award of grants to voluntary organisations. The results of this analysis produced nine criteria which are summarised below.

Proposed criteria against which grant applications will be assessed – community need

	Criteria (<i>question to be presented on Community Grants scheme application</i>)	Derivation of criteria		
		<i>Corporate Plan objectives</i>	<i>SCS objectives</i>	<i>LAA objectives</i>
1	How does your project promote stronger, cohesive and balanced communities (in particular encouraging people from different backgrounds to get along together)?		To promote stronger, cohesive and balanced communities having regard to changes in demographics, for example would be influencing the type of housing provision.	Leicestershire is integrated, cohesive and inclusive.
2	How does your project promote well-supported volunteering opportunities?			Well-supported volunteering opportunities are provided within and by the community.

	Criteria (question to be presented on Community Grants scheme application)	Derivation of criteria		
		<i>Corporate Plan objectives</i>	<i>SCS objectives</i>	<i>LAA objectives</i>
3	How does your project promote health and well-being (in particular promoting healthy eating, physical activity, sexual health and mental health)?	To ensure people have healthier lifestyles.	To promote health and well being, for example by ensuring that residents have access to health care, local parks, green spaces and natural environment, the countryside and facilities for sport and recreation, creative and community activities.	Improved health outcomes for people in Leicestershire including a reduction in health inequalities. Improved mental health and well being. More people are physically active at a level which makes them healthier. Obesity is reduced and there has been an increase in healthy eating in all age groups. Improved sexual health, particularly for young people.
4	How does your project reduce smoking and the harm caused by drug and alcohol misuse)?			The harm caused by drug and alcohol misuse is reduced in local communities. Fewer people smoke.
5	How does your project reduce the impact of crime and anti-social behaviour?	To reduce crime and anti-social behaviour and improve public confidence.	To protect and reassure our communities through the reduction of crime, anti-social behaviour and the fear of crime.	The lives of offenders and those at risk of offending are improved so they are less likely to offend.
6	How does your project improve the quality of life of people living in priority neighbourhoods?	To improve the quality of life for people living in our priority neighbourhoods	To reduce social exclusion and deprivation and increase educational attainment particularly in those parts of the Borough identified as areas of relatively higher need in particular the priority neighbourhoods of Loughborough East, Loughborough West, Mountsorrel and South Charnwood.	
7	How does your project improve the well-being of residents through acknowledging their diverse needs?	People - We will improve the wellbeing of residents, acknowledging their diverse needs	To secure the provision of accessible facilities and services to meet the needs of all local people, having regard to the particular needs of the young, old and "hard to reach".	
8	How does your project enable children, young people and older people to make a positive contribution to the communities in which they live?	To consider and involve Children and Young People in the design and delivery of our services		Children and young people achieve economic well-being Children and young people make a positive contribution Older people are empowered to play an active part in the community
9	How does your project enable older people to live independent lives?			More older people are able to live independent lives

The complete set of objectives of the Corporate Plan, SCS and LAA are set out at Appendix B. As well as providing more detail of the derivation of the Community Grants criteria this appendix can be used to identify which objectives of these documents will not be met through Community Grants to voluntary organisations. These criteria limit the purpose of the Community Grants scheme to supporting the voluntary and community sector to develop well-being and social capital. It therefore excludes other objectives such as:

- To work with partners to achieve economic regeneration in Loughborough
- Increased resident satisfaction with the built environment and improved green infrastructure
- An increase in the provision of affordable housing
- Our contribution to climate change is reduced.

Organisational need

The application process will also be used to assess the need for the Council to provide grant funding. Organisations will need to demonstrate that their projects are prepared and managed well and will be encouraged to explore other funding sources where appropriate. The criteria for making this assessment and what the Council is looking for are summarised in the following table.

Proposed criteria against which grant applications will be assessed – organisational need

	Criteria	What a successful application will demonstrate	Notes
1	Have you identified a realistic total cost and timetable for the project?	The organisation demonstrates that costs and timescales have been researched, for example through obtaining quotes or using reliable information from previous years.	Project costs can include the annual work of an organisation such as staffing and overheads but a successful application in one year does not guarantee that subsequent applications will be successful.
2	Have you sought to obtain other funding to enable the project to begin?	The organisation demonstrates that it has sought funding from other sources and that the amount sought from the Council is necessary to secure match funding or because other sources of funding are not available.	
3	What balances and reserves do you have available?	The organisation demonstrates that it follows relevant guidance on maintaining general balances and reserves and that earmarked reserves reflect its long term strategy. The organisation has considered whether it can fund the activity from its balances.	

	Criteria	What a successful application will demonstrate	Notes
4	What proportion of the cost of the project is the Council being asked to fund?	The organisation demonstrates that the level of funding sought from the Council is justified.	There are no quantitative limits on the proportion of funding that the Council will provide. In order to justify the Council providing a large proportion of the cost of a project the project will need to show that the project meets a community need (see community need above) and that other funding options (see items 2 and 3 in this table) are unable to provide the necessary funding.
5	Geographical location	The Council seeks to support a diverse community and voluntary sector including organisations with a range of geographical locations within Charnwood. No specific geographically based conditions or targets will be applied to grant awards but the assessment of need will take the geographical distribution of grants across the Borough into account.	

Assessment methods

In general terms applications will be assessed qualitatively against these criteria. Reports to the relevant decision making body will include a description of how the application meets each of the criteria. In the case of meeting the Council's objectives, applications will more likely to be successful if they meet one objective very well than if they meet several but only marginally. Applicants will also be expected to clearly identify how they will measure the success of the project, especially in relation to identifying its outputs and outcomes. In the case of assessing need, reference will be made to relevant guidance such as that provided by the Charity Commission.

Information to be provided by Strategic Partners and other grant applicants

Strategic Partners

Strategic Partners will be expected to have a regular dialogue with the Council and the flow of information should primarily be through this dialogue. In order to establish a mechanism for this dialogue, there will be a nominated partnership manager for each Strategic Partner, who will meet with the organisation regularly. Such arrangements are already in place to some extent but the current arrangements will be expanded and formalised. Strategic Partners will also be expected to provide a business plan, annual reports and accounts for monitoring purposes.

Community Development project applications

Applicants will be required to complete an application form which provides details of:

- The organisation and the project

- The Council aims and objectives the project will meet
- How outputs and outcomes will be measured
- Project costs and timetable.

To support the application form, applicants will also be asked to provide:

- Two recent bank statements
- Equal opportunities policy (or an undertaking to adopt the Council's)
- Working with children and vulnerable adults/safeguarding policy (where relevant)
- Health and Safety policy (if five or more staff are employed)
- Latest audited or independently examined accounts (if grant application is for more than £2,000)
- Sustainability checklist (voluntary).

Community Engagement funding applications

As these applications are for smaller amounts, applicants will only be required to complete a simpler version of the application form and provide two recent bank statements.

Monitoring of grant awards

Strategic Partners

Strategic Partners will be expected to provide a business plan, annual reports and accounts for monitoring purposes. This information will be used in place of the application process to monitor the community needs which the Strategic Partner is meeting and the Strategic Partner's organisational need for grant funding from the Council. For each Strategic Partner, there will be a relationship manager who will meet with the organisation regularly. The Council will encourage Strategic partners to establish mechanisms to obtain feedback from their customers as part of this process.

Community Development project applications

It is expected that most Community Development grant awards will be achieved through an offer letter which includes conditions based on the provision of the measurement and monitoring information set out in the application. In some cases payments may be staged based on interim reporting of this information.

Community Engagement funding applications

So as not to create an undue burden on recipients of Community Engagement funding, they will be expected only to provide the Council with a short report on how the grant was spent and how successful the project was.

Grant awarding cycle

Once the new arrangements are in place the grant awarding timetable (excluding Strategic Partner funding) will be as follows:

<i>Date</i>	<i>Activity</i>	<i>Target proportion of grant budget allocated</i>
January to March	Applications received for upcoming financial year Assessment of applications	0%
April to June	Cabinet decision on first round of applications Applications can continue to be made and assessed	50%
July to September	Cabinet decision on second round of applications Applications can continue to be made and assessed	80%
October to December	Cabinet decision on third round of applications Delegation to deal with any remaining grants budget	100%
January to March	Applications received for next financial year Assessment of applications	-

Given the need to undertake and complete the review the timetable for 2010/11 will be slightly delayed by one or two months in the initial stages.

Forthcoming Leicestershire 'compact'

The revised Leicestershire Compact, Compact 2010, will be subject to a formal consultation process starting in February 2010. The pre-consultation draft does not contain anything which conflicts with the proposal set out above. The proposed three year time scale for initial agreements with Strategic Partners aligns with the draft Compact which suggests a minimum of three years for "contract agreements". Establishing clear funding frameworks and appropriate monitoring arrangements are also relevant aspects of draft Compact 2010 and which will be part of the proposed approach to Community Grants.

Future plans for working with Voluntary Action Leicestershire

Voluntary Action Leicestershire is the County Infrastructure Organisation. This has been set up to co-ordinate and enhance voluntary working across Leicestershire.

Going forward the Council envisages that it will access VAL expertise to assess grant applications and develop organisational assessment and monitoring criteria. A possibility under consideration is that the Council may outsource some operational aspects of the Community Grant Scheme to VAL.

9. Consultation plan

Consultation with affected organisations forms an important part of this review for a number of reasons:

- The risk of legal challenge in the absence of appropriate consultation
- The expected practice set out in the various Compacts
- To develop partnership working with the community and voluntary sector.

As a result consultation was undertaken both directly with community and voluntary sector organisations and with representatives of the sector. A summary of all the consultation responses received can be found in Appendix C.

An initial letter was sent to the recipients of grants and organisations that had expressed interest in grant funding in December. This set out the fact that a review was taking place and some initial principles for the new arrangements. First, grant applications would be considered as early as possible in the financial year to enable them to be considered together and also enable organisations to have funding decisions at or near the beginning of the financial year. Secondly, organisations would be required to provide more detail as to which of the Council's priorities the grant funding would contribute to. Draft revised guidance and a draft application form for the 2010/11 scheme were also made available on the Council's website for comment.

The main issue identified as a result of this initial consultation was the desire of community and voluntary sector organisations for longer-term certainty in relation to Council funding. This reinforces the good practice guidelines set out in the various Compacts. The proposed new arrangements therefore include provision for three-year funding arrangements for strategic partner organisations.

Once a proposal for the new arrangements for the Community Grants scheme had been compiled, a second round of consultation was undertaken on the new proposals.

Two main issues were identified as a result of this initial consultation. The first was the desire of community and voluntary sector organisations for longer-term certainty in relation to Council funding. This reinforces the good practice guidelines set out in the various Compacts. The proposed new arrangements therefore include provision for three-year funding arrangements for strategic partner organisations. The second was the desirability of separating small and large annual grants and establishing proportionate arrangements for managing these two schemes.

Once a firm proposal for the new arrangements for the Community Grants scheme had been compiled, a second round of consultation was undertaken on the new proposals. Different letters were sent to organisations depending on whether they were identified as Strategic Partners, new Strategic Partners or potential recipients of Community Development project or Community Engagement grants setting out the proposals for each type of funding.

[Results to be set out]

In addition to consultation with individual organisations, the following consultation meetings were held with representatives of the community and voluntary sector:

- 4 February 2010, meeting with Voluntary Action LeicesterShire

- 10 February 2010, meeting of the newly established Voluntary Sector Forum facilitated by Voluntary Action LeicesterShire.

These events led to further refining of the review as set out in Appendix C.

10. Equalities Impact Assessment

An Equalities Impact Assessment was undertaken. This did not identify any significant equalities issues in relation to the review. The assessment concluded that monitoring arrangements relating to the distribution of Community Grants should continue so that the effects of the review could be assessed. An action was identified to ensure that the new arrangements for receiving grant applications and awarding grants were communicated as widely as possible.

A full Equalities Impact Assessment can be found in Appendix C.

11. Impact on staff

While the awarding processes and administrative arrangements for the Community Grants scheme will change, no material impact on Council staff who are currently engaged in the award of Community Grants is envisaged.

12. Issues and risks

<i>Risk Identified</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk Management Actions Planned</i>
The new Community Grants scheme could be seen as somewhat arbitrary in construction, particularly with regard to the initial funding allocations to 'Strategic Partners'.	Medium	Low	There are mechanisms within the proposed scheme to address anomalies in initial funding patterns in the medium term.
The Council may not be able to maintain ongoing funding to the Community Grants scheme in line with commitments to Strategic Partners.	Low	High	The funding profiles have been designed to restrict the Council's financial commitment in the next three financial years at levels well below 2009/10 funding levels.
Grant funding may not deliver value for money outcomes (or it may not be possible to demonstrate that value for money from the Grants scheme is being achieved).	Medium	Medium	Mechanisms within the proposed scheme can be invoked to address such issues in the medium term. The distribution of grants will be monitored against the new community need criteria, in terms of geographical distribution and across different equalities groups.

Appendices

A: Record of Community Grant contributions 2007/08 – 2009/10

B: Comparative objectives: Corporate Plan, Sustainable Communities Strategy and Local Area Agreement

C: Summary of consultation responses received

D: Equalities Impact Assessment

Appendix A

Record of Community Grant contributions 2007/08 - 2008/09 - 2009/10

Organisation	2007/08	2008/09	2009/10
(All amounts £exact)			
Chamwood CAB	70,000	71,800	73,600
VAC/JSHF	74,200	76,100	69,000
Gorse Covert ex repairs	22,900	23,500	24,100
Fearon Hall ex repairs	35,300	34,500	35,400
Albert Street Artists	4,550	4,665	4,780
CREC/HREC	9,350	15,000	15,000
Ekota Project/Bangladeshi Com Proj	10,872	10,700	11,462
Lboro Womens Aid	6,000	16,835	20,000
Rural Community Council	4,170	4,295	4,423
St Peters Community Centre	7,333	7,500	3,500
Victim Support	5,382	5,570	5,736
Boscaps	260	400	400
Civic Trust	170	180	
First Movement	655	657	692
Leics & Rutland Playing Fields Assc	165	250	250
Youth Arts	4,335	2,515	3,244
1st Barrow Upon Soar Brownies	350		
1st Sileby Brownies	359		
1st Sileby Rainbows	350		
Barrow Twinning Association		60	
Birstall Shraddah Group	488		
Burleigh ice skating		1,000	
Chamwood Orchestra	310	500	
Chamwood Youth Forum		600	
CLASH	96		1,500
East Goscote PC	1,000		
Haddon Way Residents Assc	278		200
Lboro and District Explorer Scouts		425	
Lboro Dynamo FC			200
Lboro Parish Clock		505	
Lboro Symphonic Youth Band		700	
Lboro Youth Affairs	550		
LeicestHERday Trust		1,175	
Mountsorrel Youth Development		1,030	
Partners in Rhyme	1,000		
Quorn VDS	320		
Shepsheid Twinning		191	
Soar Valley Model Railway Club		100	
Syston Social for the Visually Impaired	200		
The Hut	900		
Three Close Tenants Association		1,200	
Thuramston jagruti Group	490		
VAC	593		
Individual grants		450	100
Agrani Womens Group		857	1,215
CAFF		245	778
Case-da	4,575	12,150	9,000
Chamwood Independent Youth Action			8,364
Lboro Canal and Boat Festival		2,000	2,000
Lboro Twinning Association	1,600	528	
Mela	4,000	5,850	
R & R Care		1,750	1,780
Shree Ram Krishna Centre	995	1,445	
Youth Zone			5,000
All Saints Parish Cropston & Thurcaston	5,000		
Ashby Rd Estates Comm Assc	2,020		
Chamwood 2020		3,000	9,000
Fearon Hall projects	4,490		7,580
Gorse Covert			15,521
Methodist Community Centre	5,500		
Sileby Boxing Academy			2,000
Syston and District Volunteer Centre		5,000	
Festive lighting grants to Parish Councils	4,900	5,000	5,100
TOTAL CDG BUDGET	296,006	320,227	340,925

Appendix B

Comparative objectives: Corporate Plan, Sustainable Communities Strategy and Local Area Agreement

This Appendix compares objectives set out within the Council's Corporate Plan and Sustainable Communities Strategy, and the Leicestershire Local Area Agreement.

To derive the new Community Grant Scheme criteria a number of individual objectives have been grouped together to create the nine proposed criteria against which grant applications will be judged. The derivation can be identified from the colour coding as below:

1	How does your project promote stronger, cohesive and balanced communities (in particular encouraging people from different backgrounds to get along together)?
2	How does your project promote well-supported volunteering opportunities?
3	How does your project promote health and well-being (in particular promoting healthy eating, physical activity, sexual health and mental health)?
4	How does your project reduce smoking and the harm caused by drug and alcohol misuse)?
5	How does your project reduce the impact of crime and anti-social behaviour?
6	How does your project improve the quality of life of people living in priority neighbourhoods?
7	How does your project improve the well-being of residents through acknowledging their diverse needs?
8	How does your project enable children, young people and older people to make a positive contribution to the communities in which they live?
9	How does your project enable older people to live independent lives?

Corp Plan aim	SCS aim	LAA outcomes
7. People - We will improve the wellbeing of residents, acknowledging their diverse needs	People - To nurture healthy and strong and accessible communities - healthy, cohesive and engaged communities leading to active citizens and civil renewal	A healthier Leicestershire
3. To ensure people have healthier lifestyles	To reduce the need to, and distance of, travel by car and increase use of walking, cycling and public transport. In particular to improve access by public transport to key services and facilities including the key employment centres of Loughborough, Leicester and East Midlands Airport.	4. The harm caused by drug and alcohol misuse is reduced in local communities
To improve the quality of people's homes	7. To secure the provision of accessible facilities and services to meet the needs of all local people, having regard to the particular needs of the young, old and "hard to reach".	The number of road casualties is reduced

Corp Plan aim	SCS aim	LAA outcomes
8. To consider and involve Children and Young People in the design and delivery of our services	3. To promote health and well being, for example by ensuring that residents have access to health care, local parks, greenspaces and natural environment, the countryside and facilities for sport and recreation, creative and community activities.	3. Improved health outcomes for people in Leicestershire including a reduction in health inequalities
		3. Improved mental health and well being
		3. More people are physically active at a level which makes them healthier
		3. Obesity is reduced and there has been an increase in healthy eating in all age
		4. Fewer people smoke
		3. Improved sexual health, particularly for young people
Place - We will make Charnwood a safe, cohesive Borough in which to live and work	Places and Environment - Creating safe and liveable areas – greener, cleaner and safer living environments, with a focus on deprived areas	Improved life chances for vulnerable people and places
5. To reduce crime and anti-social behaviour and improve public confidence	6. To reduce social exclusion and deprivation and increase educational attainment particularly in those parts of the Borough identified as areas of relatively higher need in particular the priority neighbourhoods of Loughborough East, Loughborough West, Mountsorrel and South Charnwood.	Improved life chances for individuals and families
To create cleaner towns, villages and open spaces	5. To protect and reassure our communities through the reduction of crime, anti-social behaviour and the fear of crime.	5. The lives of offenders and those at risk of offending are improved so they are less likely to offend
6. To improve the quality of life for people living in our priority neighbourhoods	1. To promote stronger, cohesive and balanced communities having regard to changes in demographics, for example would be influencing the type of housing provision.	An increase in the provision of affordable housing
	To reduce contributions to climate change and to promote prudent use of resources through patterns of development, design, transport measures, reducing the use of minerals, energy and water and minimising waste and encouraging re-cycling in support of achieving a carbon neutral borough.	8. Children and young people achieve economic well-being
	To develop integrated transport schemes and measures to improve safety and reduce the adverse environmental and other impacts of traffic on local communities, for example in and around Loughborough and settlements close to Leicester.	9. More older people are able to live independent lives
	To protect the historic environment and identity of the Borough's locally distinctive towns, villages and neighbourhoods.	A safe and attractive place to work
	To reduce the risk to people and properties through flooding in vulnerable locations such as parts of Loughborough and the Soar and Wreake valley villages.	5. People feel (and are) safer from violence
	To protect the special and distinctive qualities of all landscapes, and to pay special attention to impacts upon Charnwood Forest and its environs and to support the National Forest Strategy.	5. Disorder and antisocial behaviour is low compared to comparable areas and is being tackled effectively
	To maintain and enhance the range of ecological sites, habitats and species found in Charnwood and seek to deliver biodiversity gain and reverse habitat fragmentation.	Increase resident satisfaction with the built environment and improved green infrastructure

Corp Plan aim	SCS aim	LAA outcomes
	To create distinctive and quality places for local people by requiring high design and increasingly higher environmental standards in new development and by encouraging improvements in existing properties to be more environmentally friendly.	Quality employment sites and premises are more widely available
		The housing needs of the people of Leicestershire are met
		Stronger more cohesive communities
		1. Leicestershire is integrated, cohesive and inclusive
		All sections of the community are empowered to influence local decision making
		2. Well-supported volunteering opportunities are provided within and by the community
		8. Children and young people make a positive contribution
		8. Older people are empowered to play an active part in the community
Environment - We will reduce the Borough's impact on climate change		A more effective response to climate change
To expand recycling and reduce waste		Our contribution to climate change is reduced
To adapt to climate change		There is a high resilience to the effects of climate change
		Less waste is produced and a reduced proportion of this goes to landfill
		Growth of road congestion is reduced
Prosperity - We will invest in and support sustainable development	Prosperity - Maximising opportunities for a dynamic Charnwood economy - thinking and planning ahead to retain and enhance the strong Charnwood economy	A prosperous innovative and dynamic economy
To work with partners to achieve economic regeneration in Loughborough	To sustain and enhance Loughborough town centre as a prosperous, attractive and vibrant destination for shopping, entertainment and leisure as well as a place to live.	A prosperous and dynamic economy driven by innovation
To provide new houses, affordable homes, jobs, infrastructure and supporting facilities and amenities	To capitalise on the benefits of Loughborough University, especially those associated with its reputation as a centre of sporting excellence, research into innovation, new technologies and sustainability.	A highly skilled, motivated and innovative population and more people in high value jobs
To work with partners to maintain the benefits that the Olympics will provide for the Borough	To ensure that there is a network of vibrant 'local' centres so residents have access to a range of shops, services and facilities.	8. Children and young people enjoy and achieve
	To meet needs for homes, including affordable housing in line with regional requirements.	
	To provide all communities in Charnwood with access to quality jobs and improved standards of life by safeguarding key employment sites and creating opportunities for new high quality employment sites, including a new Science Park at Loughborough.	
	To encourage the local economy towards a higher share of higher-value, higher quality, innovative industries and services and ensure labour market balance by providing for a mix of jobs and access to training including those for less skilled members of the community.	
	To encourage thriving and diverse sustainable rural enterprise and farming and the promotion of local foods and local energy sources.	

Appendix C

Main issues raised through consultation and how the issues were addressed

Respondent	Main Issues	Response to Issues
Albert Street Artists	The Borough Council and the County Council are the only providers of core funding which is hard to obtain from elsewhere. As a result the organisation's funding had previously been agreed by Cabinet. Normally provided information in form of annual report but would be happy to complete application form if required.	Guidance clarified to state that core running costs can be funded through the Community Grants scheme.
CLASH	Query about availability of long-term funding. Having applications submitted earlier would be better administratively. New application form does give more clarity on the measures planned to assess the objectives being set.	Three-year funding will be available to Strategic Partners and there is scope to identify new Strategic Partners within the three year period. Other comments noted.
Director of Partnerships and Customer Services	The Rural Community Council should be a strategic partner based on the work that it does with the Council.	Comment noted. The new scheme includes provision for new Strategic Partners to be identified.
Human Rights and Equalities Charnwood	Longer term commitment and earlier decisions will help with forward planning. Would prefer single funding to include Bangladeshi Community Project to follow pattern now in place at LCC, although allocation between projects would be helpful.	Three-year funding will be available to Strategic Partners and HREC and Bangladeshi Community Project identified as Strategic Partners. More detailed comments to be considered in implementing new arrangements.
Loughborough Women's Aid	Confusion in guidance regarding whether funding will be provided for both new and existing projects.	Guidance clarified to state that core running costs can be funded through the Community Grants scheme.

Respondent	Main Issues	Response to Issues
<p>Voluntary Action Charnwood/John Storer House</p>	<p><i>General comments</i></p> <p>The strategic purpose of grant funding should be made clear eg is grant funding meeting identified needs?</p> <p>Grants appear to be one-off, and one year only. What about on-going funding and SLAs?</p> <p>Ideally have applications much sooner in year, at least for on-going funding.</p> <p>Decision making process should be transparent.</p>	<p>Purpose to be made explicit in review and guidance.</p> <p>Three-year funding will be available to Strategic Partners.</p> <p>Guidance clarified to state that core running costs can be funded through the Community Grants scheme.</p> <p>Earlier decisions have been included in the design.</p> <p>More detail has been provided in guidance in relation to criteria.</p>
	<p><i>Comments on draft guidance and application form</i></p> <p>Confusion about "schemes" and "projects"</p> <p>Terminology – BME is now used more often than ethnic minority.</p> <p>Terminology – old form used, should be Rural Community Council (Leicestershire and Rutland).</p> <p>Terminology – accounts can be independently examined as well as audited.</p> <p>Why can't established annual events and general running costs be funded?</p> <p>How will applications be assessed against the criteria?</p> <p>Why can funding only be provided up to 50% and what can be included as the other 50%+?</p> <p>Policies, e.g. safeguarding, and having a bank account should be pre-conditions.</p> <p>Why do you want to know about other grant applications?</p> <p>Rather than asking how often an organisation meets, ask what does it do, what are its aims and objectives and what services and activities it provides.</p> <p>VAL and VAC may be available for funding advice and support.</p>	<p>Term project used throughout and definition clarified.</p> <p>Guidance amended.</p> <p>Guidance amended.</p> <p>Guidance and application form amended.</p> <p>Guidance clarified to state that core running costs can be funded through the Community Grants scheme.</p> <p>More detail has been provided in guidance in relation to criteria and assessment.</p> <p>No limit to be placed on proportion of costs which grants can fund.</p> <p>Comment noted. Safeguarding policy required if working with children or vulnerable adults.</p> <p>Limited to applications relating to the funding being sought.</p> <p>Information relating to aims and objectives already requested but activities now added.</p> <p>Comment noted and will be explored.</p>

Respondent	Main Issues	Response to Issues
Voluntary Action Leicestershire	<p><i>General comments</i></p> <p>The review needed to reflect the Council's strategic outcomes and aspirations for the voluntary sector (ref NIs 6 and 7).</p> <p>VAL offer development support and training for community and voluntary sector organisations.</p> <p>There were examples where Council's used other organisations to run their grant programmes.</p> <p>The Council could move to a more commissioning based approach in which funding was more closely aligned with identified priorities and providers of services sought in those areas.</p>	<p>Purpose to be made explicit in review and guidance.</p> <p>Comment noted and will be explored.</p> <p>Comment noted.</p> <p>No limit to be placed on proportion of costs which grants can fund which enables Council to be more flexible in supporting projects.</p>
	<p><i>Types of organisations to be funded</i></p> <p>There should be greater clarity in the purposes of grant funding.</p> <p>The current Community Grant funding supported a very wide range of organisations.</p>	<p>Purpose to be made explicit in review and guidance.</p> <p>Grant funding to be separated into three types – Strategic Partners, Community Development and Community Engagement.</p>
	<p><i>Criteria for assessing applications for grant funding</i></p> <p>Approach supported but could be made more specific by allocating funding to each element separately.</p> <p>Process would need to make clear implications of meeting only one criterion as against meeting several.</p>	<p>Comment noted but will not be adopted to maintain flexibility.</p> <p>Clarification provided in guidance.</p>
	<p><i>Approach to creating longer term funding arrangements</i></p> <p>To some extent decisions in this area will be constrained by budget issues.</p> <p>Commissioning could be a longer term option but would require sufficient capacity in community and voluntary organisations and the Council.</p>	<p>Comment noted.</p> <p>Comment noted. No limit to be placed on proportion of costs which grants can fund which enables Council to be more flexible in supporting projects.</p>

Respondent	Main Issues	Response to Issues
	<p><i>Allocations of grants based on geography and location</i> There did not appear to be a specific objective of supporting rural communities.</p>	<p>Comment noted.</p>
	<p><i>Funding and Performance conditions attaching to grants</i> The application process should make any conditions clear from the outset. Lighter touch should be applied to small grants.</p>	<p>Additional clarification has been added to the guidance. This approach will be adopted.</p>
	<p><i>Information to be supplied in support of grant applications</i> Lighter touch should be applied to small grants. Minimum requirements should be governing documents, details of management committee and accounts. Business Plans not thought to be necessary.</p>	<p>This approach will be adopted. Comment noted. Business Plans will be required from Strategic Partners.</p>
	<p><i>Cabinet authorisation thresholds</i> The application process should make who the decision maker would be clear from the outset. No need to take small grants to Cabinet.</p>	<p>Additional clarification has been added to the guidance. Community Engagement grants will be determined by the Grants Panel</p>

Respondent	Main Issues	Response to Issues
<p>Voluntary and Community Sector Forum – What sort of organisations should the Council be funding? Detailed comments are set out below</p>	<p>Focusing on larger/well established organisations would provide security, less duplication and more scope for partnership working. However, there was a risk of organisations becoming complacent. Focusing on smaller organisations would be fairer, more responsive to needs and flexible in terms of the budget available.</p> <p>Funding for a mixed variety of organisations would enable the council to meet its targets and create diversity.</p> <p>Different funding pots could be provided according to the size of the organisation/grant sought.</p> <p>The approach should, in general, be based on how best to meet need rather than the size of organisations. However, some core strategic capacity within the sector was required.</p>	<p>Comments noted. Approach to be adopted will include separate strands for Strategic Partner funding and annual Community Development and Community Engagement grants.</p>
<p>Voluntary and Community Sector Forum – What are the criteria the Council should use to assess applications for grant funding? Detailed comments are set out below</p>	<p>There needs to be a balance between flexibility on the one hand and a clear, fair and transparent decision making process on the other.</p> <p>Basing decisions on the Council's priorities could result in the process being politically driven and lead to uncertainty as to how organisations will respond should the Corporate Plan change.</p> <p>There may be too much focus on the Council's priorities rather than the organisation's priorities and other community needs.</p> <p>Assessing applications against a broader set of objectives provides a clear, evidence based framework that considers community needs.</p> <p>The Council's expectations should be made clear in the guidance issued.</p>	<p>Comments noted. The assessment of community need will be based on a broader set of documents than the Council's Corporate Plan. It will include the Local Area Agreement and the Sustainable Community Strategy and should therefore capture a broader range of community needs which have been identified in a robust manner.</p> <p>The guidance for annual grant applications has been amended to explain more fully how applications will be assessed.</p>

Respondent	Main Issues	Response to Issues
<p>Voluntary and Community Sector Forum – Should the Council create (or maintain) longer term funding arrangements with ‘strategic partner’ organisations? Detailed comments are set out below</p>	<p>It is important for the council to provide longer term funding. It provides security and enables organisations to plan for the future. The approach to funding partners should be flexible and include regular reviews and monitoring of delivery so that funded organisations don’t become complacent and reliant on Council funding. Partnership working should enable funded organisations to respond to changing community needs. Partnership funding arrangements should not exclude opportunities for other organisations leading to a two-tier voluntary and community sector. Funding for ongoing work is also necessary for smaller organisations.</p>	<p>Comments noted. Approach to be adopted will include separate strands for medium term funding of partner organisations, large annual grants and small annual grants. The arrangements for Strategic Partner funding will be based on a three-year cycle. There will be an ongoing dialogue with Strategic Partners during the funding period. Guidance clarified to state that core running costs can be funded through the Community Grants scheme and no limit placed on proportion of costs which grants can fund.</p>
<p>Voluntary and Community Sector Forum – Should the Council aim to distribute grants across all areas of the Borough? Detailed comments are set out below</p>	<p>Charnwood is diverse socially and geographically so having some geographical criteria would be justified. Having specific geographical targets or conditions would be very difficult in practice. It takes time to establish services in a particular place and this may not reflect the distribution of groups able to meet needs.</p>	<p>Comments noted. Mention will be made in the criteria of seeking to support a geographical range of organisations but there will not be any specific conditions or targets.</p>

Respondent	Main Issues	Response to Issues
<p>Voluntary and Community Sector Forum – What funding or performance conditions (for example, service level targets) should be attached to grant funding? Detailed comments are set out below</p>	<p>Feedback on monitoring and reporting can be onerous and must be consistent, meaningful and valued. It should be tailored to the monitoring requirements of other organisations and the size of grant awarded.</p> <p>Providing targets or conditions can help the development of small organisations but they may be over optimistic regarding what they can achieve.</p> <p>Consideration should be given to seeking user feedback as part of monitoring information.</p> <p>Where targets are not met, what action will be taken?</p> <p>There should be more feedback and publicity by the Council around the outcomes of grant funding.</p>	<p>Monitoring requirements will be different for Strategic Partner funding and annual Community Development and Community Engagement grants.</p> <p>Working with VAL on this will be explored.</p> <p>This will be considered for Strategic Partners.</p> <p>For Community Development and Community Engagement grant applications grant may have to be repaid if monitoring information not provided or grant not used for the purposes for which it was awarded.</p> <p>Comment noted and will be considered as part of implementing new arrangements.</p>
<p>Voluntary and Community Sector Forum – What information should organisations supply in support of their grant applications? Detailed comments are set out below</p>	<p>Retaining an approach set out in the current draft application enables evidence of need to be linked to priorities.</p> <p>Information required should also be dependent on size of grant sought.</p> <p>Accounts can be independently examined as well as audited.</p> <p>New organisations may find it difficult to provide bank statements.</p> <p>Value of current sustainability checklist questioned.</p>	<p>Approach to evaluation of applications will be based on assessing both community need and organisational need.</p> <p>This approach will be adopted.</p> <p>Guidance and application form amended.</p> <p>Having a bank account seen to be minimum requirement.</p> <p>Submission of checklist made voluntary but still considered to have value in terms of opportunity to consider scope of project.</p>

Feedback from Voluntary and Community Sector Forum to the design principles identified

A. What sort of organisations should the Council be funding?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
A1	Focus on larger and well-established voluntary groups	<ul style="list-style-type: none"> + Better resources/well established + Security of funding and delivery of projects (security and development) + Governance + Security to lucky few. + More scope for partnership working + Concentration of knowledge. + Less duplication + (cheaper to run) 	<ul style="list-style-type: none"> - Missing small organisations - No opportunities for smaller groups - Can't cherry pick – fairness - Risk of becoming complacent/moribund - No response to need – new organisations and ideas in response to need. - No opportunity to grow
A2	Focus on small organisations and individuals, possibly combined with a maximum grant	<ul style="list-style-type: none"> + Matter of needs rather than size + Capacity + More flexible in terms of budget 	<ul style="list-style-type: none"> - It should be based on needs. - No development of organisations - Can't cherry pick- fairness - Unreliable and patchy delivery - Need core strategic capacity

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
A3	Funding for mixed variety of organisations, possibly with designated funding pots	<ul style="list-style-type: none"> + Council can meet targets + Fair spread across the borough. + Ensure no duplication + Flexibility and targeting + Opportunities for VCS organisations to work together + May be certain forms that require certain function e.g. strategic capacity + Space for new organisations to develop + Needs to be as broad a spectrum of organisations as possible. Creates diversity. + Needs to be scaled; small, medium and large grants and individual grants (set amount for each pot). Not dependent on size of each but on what to apply for. When pot is finished no more applicants possible in that pot. + Possibly have pots according to income size of organisation 	<ul style="list-style-type: none"> - Many organisations are too reliant on designated funding pots. - Spread funding too thin - Competition between needs - The more general the pot the more general the applicants so very difficult to compare applicants against each other. Can't apply to more than one pot and separate out e.g. arts, heritage, sport, children, - Need applicants to fit in with Council's priorities - Need to promote. Small organisations not aware – particularly applicable if advertise according to pots and can then have targeted publicity. - [If small pot for small organisations then need to make sure large organisations can't go for it. Clearly defined about who can apply..
A4	Funding for mixture of projects/new initiatives of core funding	<ul style="list-style-type: none"> + Applies to CBC especially because of other sources of core funding very rare cf capital Vs revenue 	-
A5	Funding should be made to meet needs not question of form of organisation	<ul style="list-style-type: none"> + Meets need 	<ul style="list-style-type: none"> - May be certain organisational forms required to generate strategic capacity

B. What are the criteria the Council should use to assess applications for grant funding?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
B1	There are no specific criteria; grant applications are assessed on a case by case basis	<ul style="list-style-type: none"> + Focus on the needs of people. + Bring more organisations on board and bring up better ideas. + Would have to be done in a partnership + Are wider series of things which VCS can do which addresses identified need. + Option for proportion of budget + Flexibility 	<ul style="list-style-type: none"> - Perception of unfairness unless criteria clear and transparent especially where more applications than funding - Lack of transparency/fairness
B2	Existing practice; grant applications are assessed against broad corporate objectives extracted from the Council's corporate plan	<ul style="list-style-type: none"> + Broad criteria good idea but based on community needs rather than corporate plan + Provides clear framework and addresses need 	<ul style="list-style-type: none"> - Politically driven - Corporate plan changes – how do organisations respond
B3	Grant applications are assessed against more detailed and specific criteria derived from the corporate plan, local area agreements and the Sustainable Communities Strategy	<ul style="list-style-type: none"> + Easy for the decision makers. Meets their target (Local Authority) Roots into influencing policy-cross representation. + Consultation at community level + Clear information on strategies – few to meet + Identify needs in community for development + Evidenced based + Provides clear framework especially for large groups + Addresses identified need + Links to other key documents + If having limited pots of money then need to be closely linked to priorities of council and not too general, + Need to be written in accordance to size of “pot” that applying for and criteria similarly + User friendly 	<ul style="list-style-type: none"> - Much more difficult to meet the criteria - Too much focus on authority rather than the organisation focus. - Excludes groups/organisations. - Excludes specific needs - Groups channel their aims towards criteria - Quote based. - More accountable - Fit authority's agenda rather than own - Issue of knowledge and understanding by smaller groups of LAA/SCS - Target based/form filling - Can be too rigid and good projects/work missed - Corporate plan changes - This is what the Council gets funding themselves for. Every funder has own priority - What about ideas that don't fit criteria (can be directed to other sources of funding)

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
		<ul style="list-style-type: none"> + Link up all district council application forms so same + Monitoring process needs to be linked to applications and in accordance to size of pot + Needs to be clarity about decision making process – how, who, timescales 	
B4	Does council take into account service users feedback/experiences?	+ Groups set up for issue and more broader delivery	- Time frame and communication on setting budgets for core funding.
B5	Flexible approach based on funding strategy	+ There is a wide variety of groups in Charnwood and could tailor to their abilities/objectives	-
B6	Criteria: History, quality of service, structure, previous funding, bank accounts, financial systems	+	-
B7	Does there need to be criteria around only being able to apply for a certain amount of money in a certain period of time?	+ Apply for how much need in the pot rather than whole amount.	-
B8	All options need appropriate guidance	+	-

C. Should the Council create (or maintain) longer term funding arrangements with ‘strategic partner’ organisations?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
C1	Council does not maintain longer term funding arrangements with any voluntary organisation	<ul style="list-style-type: none"> + Fairer + Flexibility for Council and organisation/not tied into anything long term 	<ul style="list-style-type: none"> - No long term planning - No security in employment – lose staff/skills
C2	Council maintains longer term funding arrangements with selected partner organisations	<ul style="list-style-type: none"> + Some time is a must maintaining longer term funding with so many organisations + Enable the organisation to plan for the future + Better for service users and also workers/venues + Security and consistent delivery of service. Not reinventing/looking for funding + Cuts down admin and negotiation time + Enables Partnership working and changes in delivery through this + Needs led rather than funding led – proactive + Can plan for future + Enables conditions to be more easily monitored + Reapply every 5 years rather than have a rolling programme + Confidence in knowing continuum of service + Strategic services are essential so council needs to be part of services provided by the council and out of main council pot rather than community grant pot + Application in line with this + Incorporate into service provision + Essential for longer term success and other funding opportunities 	<ul style="list-style-type: none"> - Totally reliant on Council grant - Some organisations may feel hard done as they may offer same service or even better. - Some groups will be excluded - Regular reviews of needs are required - New strategic partners – may not be local - Organisations not delivering - Risk of complacency (needs suitable feedback), over dependence. - If takes up too much of budget then lack of popularity of funded organisations Vs rest (2 tier) - Who gets excluded - Other groups don't have opportunity to receive - Lack of flexibility and response to community needs
C3	Who “strategic partner” – needs to be flexible Will need monitoring/review system for partner and	<ul style="list-style-type: none"> + 	<ul style="list-style-type: none"> -

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
	<p>service needs</p> <p>Needs for flexibility on both sides – exploring work changes to community needs</p> <p>Recognition – it is essential for longer term success/other funding opportunities.</p>		
C4	<p>Arguments for funding small groups long term too e.g. Albert Street Artists (or enable ongoing work to be funded)</p>	+	-

D. Should the Council aim to distribute grants across all areas of the Borough?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
D1	No geographical targets or conditions are applied to grant awards	<ul style="list-style-type: none"> + Everything judged on merit and grants follow need + Is more than 1 group performing a function desirable in area of size of Charnwood + Need to use statistics to show grants going across Borough so is an element required of across the Borough 	<ul style="list-style-type: none"> - Socially and geographically Charnwood is v diverse - Some areas of need do not have a strong voice
D2	Specific geographical targets or conditions are applied to grant awards	<ul style="list-style-type: none"> + Too narrow. + Different areas have different needs + Could address need e.g. deprivation/priority neighbourhoods + Hold minimum fund for each area 	<ul style="list-style-type: none"> - Very difficult in practice are organisations to fund in place - People have very narrow view of what local services are. - Need has been identified before deciding can be linked to identified needs/priorities - Takes time to establish services in one place and if funding only for a year than difficult to establish - Groups doing work across Leicestershire but based in Charnwood
D3	No specific geographical targets or conditions are applied to grant awards but the awarding process will take geographical balance into account	<ul style="list-style-type: none"> + Fair way to go ahead. Meet the needs of groups while protecting some geographical areas + Potential to meet needs of anyone + Can address social issues as well as simply just space (transparent /isolation) only very open position 	<ul style="list-style-type: none"> - Doesn't help Council. - North/south divide of Charnwood
D4	Grants available need to be highly promoted across Borough	+	-

E. What funding or performance conditions (for example, service level targets) should be attached to grant funding?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
E1	No targets or conditions are attached to grant awards	<ul style="list-style-type: none"> + Gives freedom to the organisation and groups. + Gives them the choice of how they want to spread the money 	<ul style="list-style-type: none"> - No responsibility. Money could be wasted. No way to measure the level of service provided. - Can't assess funding or achievements
E2	Targets and conditions are applied to all grants	<ul style="list-style-type: none"> + Depend on the target. There has to be some target. They will have to meet what they set to the do or at least to show working towards it. + Must be something to support all grants - even report back on trips abroad + Helps development of small organisations 	<ul style="list-style-type: none"> - Over optimistic. Not being realistic what they can achieve. - Burdensome for organisations - Restricts development of organisations - Too onerous on small funding pots
E3	Mixed approach: targets and conditions are applied to all grants to partner organisations and/or grant awards over certain amounts	<ul style="list-style-type: none"> + The council target should be more realistic. + Have some monitoring but related to size of grant + Helps development of small organisations (pro forma - work with VAL/VAC). + Not over burdensome not statistics that unnecessary + Outcome focussed rather than output but outputs can be useful too + Proportionate + Opportunity for user involvement especially with long term funding + Address issues of other funders' requirements so common reporting + Criteria linked to priorities + Separate application process according to pot going for, 	<ul style="list-style-type: none"> - What actions taken if target/actions not met?
E4	No publicity around Council funding Promoting success stories of funding	<ul style="list-style-type: none"> + 	<ul style="list-style-type: none"> -
E5	Clarity with grant Vs contract Vs SLA. Have different implications eg monitoring and claw back	<ul style="list-style-type: none"> + 	<ul style="list-style-type: none"> -

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
E6	Need feedback on reporting/monitoring to justify the reporting process so not just monitoring for sake of it – needs to be taken more seriously by council	<ul style="list-style-type: none"> + SLA very difficult if new project to set meaningful targets + Need to be targets/outcomes/outputs/performance framework particularly if work to reapply but also to justify Council expenditure + Need to be consistent, meaningful and valued 	<ul style="list-style-type: none"> - Putting logos on everything is a nightmare particularly if funded from several different sources

F. What information should organisations supply in support of their grant applications?

	<i>Options</i>	<i>Probable advantages</i>	<i>Possible disadvantages</i>
F1	Retain approach set out in current draft application form; information requested relates to size of voluntary organisation	<ul style="list-style-type: none"> + Application form should include evidence of need linked to priorities + Accounts can be independently examined as well as audited 	<ul style="list-style-type: none"> - Providing bank statements can be difficult if new organisation - Current sustainability checklist bit pointless and tokenistic - Information should also be dependent on size of grant - Include Annual Report, Business/Development Plan (if available) and details of membership base
F2	Flow requirements of charity commission e.g. governance probity, funding	<ul style="list-style-type: none"> + Evidence of good financial practice eg 2 bank account signatories + Evidence of good governance eg constitution and officers 	<ul style="list-style-type: none"> -

