

Report to: **Scrutiny Committee for Adult Social Care**
Date: **23 June 2005**
By: **Director of Adult Social Care**
Title of report: **Review of the Community Partnership Finance Grant**
Purpose of report: **To advise the Scrutiny Committee of the outcome of the Review of the Community Partnership Finance Grant.**

RECOMMENDATION - the Scrutiny Committee for Adult Social Care is recommended to note the current position and the procedures which will be used to administer the scheme for 2006/07.

1. Financial Appraisal

1.1 The total allocated for the Community Partnership Finance (CPF) grant in 2005/2006 is £339,207 plus Substance Misuse £14,467.

1.2 This sum will be allocated to fund organisations delivering services and activities which are in line with the council's priorities. This will include supporting the principles of Full Cost Recovery.

1.3 The Department of Adult Social Care will administer the grant process for 2006/07. The future management of CPF will be determined as a result of the County Council Review of Voluntary Sector partnerships.

2. Supporting Information

2.1 In order to review the Community Partnership Finance Grant Scheme effectively a cross sector Steering Group was established. The focus of the Steering Group was agreed as strategy, allocation and roles and responsibility of the scheme. Details of this work are included at Appendix 1. The conclusions arising from the Review are included at Appendix 2.

2.2 The recommendations have been far-reaching and cover the scope of the scheme, the management, roles and responsibilities and the application, administration, monitoring and allocation processes. The consultation period for the recommendations has concluded. This involved Councils for Voluntary Service, applicants to the scheme, Members, Officers and those who have made enquiries.

2.3 CPF will be administered by the Department of Adult Social Care for grants in 2006/07. Allocation of funding in 2006/07 will reflect current priorities and budget commitments. The future management of CPF will be determined as a result of the County Council Review of Voluntary Sector Partnerships. Decisions to broaden criteria will then be made in conjunction with that Review.

3. Conclusion and Reason for Recommendation

3.1 An inclusive and far-reaching Review was undertaken by the Steering Group. The resulting recommendations were unanimously agreed and subject to consultation.

3.2 The Department of Adult Social Care will administer the grant process for 2006/07. The future management of CPF is dependent on the County Council Review of Voluntary Sector partnerships.

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Local Member(s): All

BACKGROUND DOCUMENTS: None

Review of Community Partnership Finance Summary Report

1. Background

1.1 In order to review the Community Partnership Finance Grant Scheme effectively a cross sector Steering Group was established. The focus of the Steering Group was agreed as strategy, allocation and roles and responsibility of the scheme. The Steering Group met four times from December 2004 – March 2005 and then once more in June, after the consultation period. The Steering Group members were:

- Barry Atkins (Commissioner for Hastings and Rother, Social Services)
- Melanie Clayton (Quality & Change),
- Jeri Damman (Contracts)
- Jill Ferguson / Steve Manwaring (Hastings Voluntary Action)
- Sandra Garner (Hastings Borough Council)
- Alison Horan (Community Partnerships)
- Vicky Lawrence (Quality & Change - Chair)
- Diane Parr (Age Concern East Sussex)
- Veronique Poutrel / Sherlyn Barrow (External Funding team),
- Paul Rideout (South Downs CVS)
- Cllr Michael Tunwell
- Diets Verschuren (Policy Officer for Mental Health)

The minutes were also circulated to a number of other people including Ivan Rudd from Hastings PCT, Mary Clare Deane from Wealden District Council, Jessica Britton from SD&W PCT, policy officers, finance and contracts.

1.2 A Working Group was established to look at processes (application, allocation, guidance, monitoring etc). The members of this group were Jeri Denman, Veronique Poutrel, Paul Rideout, Vicky Lawrence, Melanie Clayton and Barry Atkins. This group met five times.

1.3 Many key issues have been acknowledged in the review, including the following:

- The current scheme funds a large proportion of core costs, in addition to direct services.
- A large proportion of the scheme funds the core costs of infrastructure organisations.
- This is the only scheme in the council which funds core costs of voluntary organisations, with the possible exception of the Making a Difference fund.
- The scheme is heavily over-subscribed already. It is very difficult to fund new applications through the scheme.
- It is harder for organisations to fundraise for core costs than for projects or services.
- Current good practice needs to be built on, such as 3 year agreements and partnership review meetings.
- There are conflicts of interest inherent in the current role of the liaison officer (endorsement, support and monitoring), and individual liaison officers have different levels of experience to offer.
- The scheme is onerous for small grants.
- There is no geographical parity in allocation.
- Lobbying for funding from voluntary and community groups happens at many levels with both officers and councillors (often depending on personal contacts), but there is often no co-ordination of this or guidelines.

2. The key principles for the review were agreed by the Steering Group:

- Ensuring equality issues run throughout
- The development of clear rationale for decisions made at each stage of the process.
- Accessible information given and proportional information required from applicants, dependent on the level of funding applied for or received.
- Clear roles and responsibilities for all stages of the process.
- To better align grants allocation with contracts and commissioning and partner funders wherever possible.

3. The recommendations were consulted on for 10 weeks from 18 March to 27 May 2005. Several written and verbal responses were received from officers, members and the voluntary and community sector. These responses were compiled into a report which the Steering Group discussed at its final meeting in June. Minor amendments were made to the recommendations as a result of this feedback and further improvements will be made to the application pack and monitoring forms.

Recommendations from the Steering Group

1. Future use of grant funding

- 1.1. CPF will be used to fund organisations delivering services and activities which are in line with the council's priorities. This will include supporting the principles of Full Cost Recovery.
- 1.2. This grant fund should not be cut disproportionately when savings are made.
- 1.3. The scheme should promote equality and diversity, taking into account the needs of minority, disadvantaged groups and individuals.
- 1.4. Organisations which provide ongoing services which are crucial to the council's aims should move to contracts. ESCC should support voluntary organisations to achieve full cost recovery in contract prices.
- 1.5. To ensure best value there could be performance indicators or targets for the total fund set against departmental or corporate priorities or specific services areas, eg. x amount of new projects, x proportion infrastructure.
- 1.6. An evaluation of the outcomes achieved through the whole grant allocation is needed each year, based on the monitoring information from applicants.

2. Management

- 2.1 The Department of Adult Social Care will administer the grant process for 2006/07. The future management of CPF is dependent on the County Council Review of Voluntary Sector partnerships.
- 2.2 All information should be entered into the corporate funding database.
- 2.3 The funding matrix currently compiled will be put on hold until the result of the Voluntary Sector Review.

3. Allocation

- 3.1 A new three stage allocation process will be used:
 - a. The applicant must meet the Eligibility Criteria in order to be considered.
 - b. The application form will be scored using clear and published guidance by the fund administrator (scoring guidance has been drawn up). If resources allow the forms will be scored by two different people and then the average score taken. Those applications falling below a certain score will not be considered further. The fund administrator will then compile a report which is given to the panel.
 - c. The panel then meets and considers only those application forms which have passed stages a & b. The panel allocates funds against the key strategic council priorities laid out in the guidance notes. In addition, the panel may take into account issues such as previous monitoring information, geography, project type or size, type or size of organisation, any potential duplication of services and different methods of delivery. The panel could also ask the ESSP for information on need across the county in advance of convening.
- 3.2 It is important that the fund administrator records where they have had to chase up applicants for information.
- 3.3 Late applications will automatically not be considered.
- 3.4 A proposed appeals process is laid out within the funding guidance.
- 3.5 One year funding agreements are for one year and there is no guarantee of further funding.

4 Award sizes and conditions

4.1 Award categories should be as follows:

- £1000 - £5000
- £5000 - £10,000
- £10,000 upwards

4.2 CPF should no longer be used to fund grants of under £1000. These should be funded through local community chests. ESCC should contribute to local Community Chests.

4.3 All applicants will be asked to demonstrate up to 6 outputs which link to the scheme priorities.

4.4 Organisations applying for more than £5k must demonstrate that their management systems are improving as a result of the grant.

4.5 For schemes applying for over £10k, there will be two additional questions - one on quality systems and then also a question asking for up to 6 outcomes.

4.6 For organisations receiving 3 year funding, an application form will be required only in the first year. Thereafter annual reviews and monitoring would be carried out. Continuation funding would be conditional on satisfactory reviews.

4.7 A working party will be established to review the CVS agreements.

4.8 Every funded organisation should have a grant aid agreement which is well structured with clear outputs, proportionate to the level of funding awarded.

4.9 There should be a clear reserves policy laid out in the supporting information and applicants should clearly distinguish between unrestricted and restricted reserves.

4.10 The level of public liability insurance required would ideally be lowered from £10m to £5m except in the case of hazardous activities, where £10m would be required.

4.11 A business plan would no longer be required as supporting information. Any information required should be requested in the monitoring process.

4.12 Criminal Records Bureau checks should be a condition of grant aid for projects working with vulnerable adults or children. It is acknowledged that these incur a cost and should be covered by the grant awarded.

4.13 It is recommended that user feedback should no longer be requested unless this can be managed independently.

4.14 A new funding pack has been produced and the new application and monitoring forms are based on corporate guidance, the Big Lottery Medium Sized Grants and Hastings BC forms. In addition the national and local Compact guidance has been referred to. New funding guidance and grant agreements have also been drawn up.

5. Monitoring

5.1 Monitoring and review should be a critical part of the process of re-allocating funding.

5.2 Monitoring will be based on responses given in the application form.

5.3 For all schemes, twice yearly self-monitoring is recommended. The first monitoring form would be completed mid-term in September (covering the first 6 months) to tie in with the application process. This could alert for problems in order for something to be done about them. The second form would be a closure report at the end of the year within 3 months of the year-end.

5.4 Reactive monitoring could be required if there is a concern with a grant recipient and this possibility must be made clear in the supporting information.

5.5 For all organisations receiving more than £5k a monitoring visit would be a condition.

6. Roles

6.1 Clear roles need to be established for the whole process

6.2 A liaison officer should no longer be designated.

- 6.3 An Operations Manager/Practice Manager within Adults or Children's Departments will no longer be required to support the application.
- 6.4 There should be trained individuals across the council (in addition to those designated as funding officers) who could give funding advice to organisations, particularly those individuals who have specialisms in particular areas, such as commissioners.
- 6.5 Organisations which receive over £10,000 should no longer be *required* to invite a councillor to sit on the management committee. However of course organisations are welcome to invite councillors to join their management committee.
- 6.6 A CRD Finance Officer will take responsibility for checking the accounts pre-panel. This officer could attend the panel if necessary but would have no voting rights
- 6.7 A new set of proposed roles is set out as follows:

Stage	Suggested Responsibility
Promotion of scheme	Grants Administrator
Enquiry	Grants Administrator
Submission	Grants Administrator
Assessment of Eligibility Criteria	Grants Administrator Finance department
Scoring of form Report to Panel	Grants Administrator
Allocation	Panel Currently includes: Commissioners, policy officers, PCTs
Endorsement	Councillors Currently: <ul style="list-style-type: none"> • Scrutiny Committee for Social Services and Health • Lead members • County Council (budget meeting)
Monitoring	Grants Administrator Partner funders Could be linked to Compact Working Group
Feedback	Grants Administrator
Funding Advice	Grants Administrator, Commissioners – people with expertise in specific subject areas Corporate team

7. Recommendations for additional action:

- 7.1 The role of councillors on the committees (both as trustees and ex officio members) should be clarified.
- 7.2 The role of officers on committees should be examined.
- 7.3 Organisations should be encouraged to diversify funding. The panel noted the ChangeUp aim that by 2014 'Frontline organisations are able to take advantage of opportunities to diversify their income sources and demonstrate increased skill in contract negotiation and better standards in more effective fundraising.' (p40)
- 7.4 There should be a survey carried out of the in-kind funding to voluntary organisations which ESCC provides, including physical resources and officer time. The results of this

survey would highlight the real level of resources which are directed to the voluntary and community sector and could be used as information for match funding.

- 7.5 The internal Working with Voluntary Organisations Handbook has been superseded by the Compact and its Codes of Practice and will no longer be needed.
- 7.6 Work has been carried out during this grant review process on unit costing and contracts. This information should be fed into any contract development processes.
- 7.7 The role of lobbying should be examined and clear guidelines drawn up.

8. Definitions Used

The following definitions were agreed:

Core Costs - Core management and administrative costs which enable an organisation to deliver services which meet the council priorities.

Infrastructure describes the physical facilities, structures, systems, relationships, people, knowledge and skills that exist to support and develop, co-ordinate, represent and promote front line organisations thus enabling them to deliver their missions more effectively. (From ChangeUp)

Infrastructure organisations are those whose primary purpose is to provide infrastructure functions or services (support and development, co-ordination, representation and promotion) to front line organisations. They are sometimes called umbrella organisations. (From ChangeUp)