



**Report to: Communities Committee, 30<sup>th</sup> January 2019**

**Report of: Corporate Director Homes and Communities**

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**Subject: REPORT OF THE GRANTS TASK AND FINISH GROUP**

**1. Recommendation**

- 1.1 That the Committee approves the adoption of a revised protocol for the administration, management and delivery of small, medium and large community grants by the Council, as recommended by The Grants Task & Finish group and set out within this report;**
- 1.2 That the Committee recommends to Policy & Resources Committee the allocation of £111,890 in 2019/2020 to support the Council's proposed approach to deliver small and medium grants, and £3, 500 to secure administration; and**
- 1.3 That the Committee recommends to Policy & Resources Committee the allocation of £199,420 in 2019/2020 to support the Council's proposed approach to deliver large community grants.**

**2. Background**

- 2.1 At its meeting of 30 May 2018 the Committee resolved that the Council reviews its current process for allocating community and voluntary grants and moves towards a more strategic, transparent approach which offers best value for money and equality of funding. A Task & Finish group was set up to undertake a focused piece of work to consider how the Council delivers its programme of grant support. Four meetings of the Task & Finish Group were held on 24 September, 25 October, 20 November and 18 December 2018. A copy of the Task and Finish Terms of Reference is provided at Appendix 1.
- 2.2 A detailed summary of the group's considerations is provided at Appendix 2 along with recommended changes to the current arrangements. These recommendations are based on the following principles:
  - Small and medium grants should be available to support smaller organisations; therefore a turnover test should be applied, limiting grants to organisations with turnover below £2m p.a.
  - The application process should be as simple as possible
  - All applicant projects and activities must in some way contribute towards the overall goal of achieving the City Plan
  - Small grants should be sufficient to enable bidders to gain value from the award and the maximum award should therefore be increased
  - Grants should be for recognised organisations, not individuals, and there should, therefore, be dual signatories for relevant bank accounts

- Applicants should draw on existing reserves, if available, prior to seeking grant aid. The level of reserves to be taken into account when considering an application should be in line with Charity Commission guidance for organisations applying for small and medium grants.
- Where volunteer hours are taken into consideration as 'match funding', these will be at an agreed rate of £11.09 per hour.

2.3 Currently medium and larger grants are allocated under pre-existing budget arrangements. For small grants, a 'small grants panel' has been trialled. This consists of one Member, three officers (including the Head of Service for Communities) and a Community member (previously attended the panel considering the Our Happy Place reserve). The criteria for awarding the small grants is currently presented on the website and a copy is provided at Appendix 3.

2.4 The **key** changes proposed by the Task & Finish Group are contained within the table below:

Current System	Future System	Rationale
Small grants are subject to a Service Level Agreement	Small grants letter of award for grants below £2,000	To reduce the amount of administration associated with smaller grants awarded
No overall thresholds identified however small grants are currently set at £1,000	Threshold set at £2,000	Recognising that £1,000 does not cover much for organisations eg equipment or facility room hire
Regularly funded medium grants are currently allocated with no application process	Introduce an application process Threshold set £2,001 - £20,000	To ensure transparency and best value for money is achieved
Large grants are allocated annually with an associated SLA	Continue to award these grants but review the annual SLA period	Giving consideration to a longer term and therefore more financial security for organisations

### **3. Preferred Option**

3.1 The following proposals are recommended:

(1) that the total amount allocated for grant funding to be divided up into three categories and allocated in accordance with the arrangements proposed below

(2) funding be made available by "top slicing" from the total grants pot to cover the cost of up to 4 hours per week administration duties, allowing more officer time to be spent monitoring and publicising the grants and developing the website. Weekly functions included in Appendix 2.

(3) that the grant thresholds for small and medium grants are reviewed following the end of the third quarter and increased if the grant budget is underspent.

### Small Grants

- 3.2 The first level for smaller one off projects with a maximum of £2,000 available to apply for, with an evaluation document produced at the end. The small grants annual funding pot will be made up of existing revenue budgets, consisting of £25,000 previously allocated to One Worcester Communities Grants, revenue grant funding of £6,430 which previously supported the Volunteer Centre (closed in April 2017) and £3,720 included within existing budgets for groups to benefit from low level funding.
- 3.3 These will be administered using the existing small grants award criteria but with an extended panel consisting of three members, three officers and a community member. Small grants will be administered through a letter of award, with associated checks relating to expenditure.

### Medium grants

- 3.4 The second level of grants will be for medium grants defined as £2,001 - £20,000 with a more robust monitoring system in place. Funds will be made up from previously allocated medium grants which have been in place for many years, totalling £73,240. A minimum of 12 months notice will be provided where there are significant changes proposed to either process or funding level. These will be managed through an application process with a 'scoring' system in line with the City Plan to organisations delivering specific services e.g. Arts events and disability sports, or distributing small grants through a structured process on behalf of the Council (see Appendix 2 for more details).
- 3.5 The medium grants fund is a finite amount of funding. Therefore, following the receipt of applications from both existing and potential new organisations, criteria will be needed to ensure an appropriate spread of areas for support. If this fund is oversubscribed then unsuccessful applicants will be guided to:
- other funds such as local trusts; People's Postcode Lottery; BBC Children in Need etc
  - any unspent funds in other areas of grant funding at the end of Q3 which could be considered for support to those unsuccessful
  - a small grant if appropriate.
- 3.6 It is noted that the Sports Council and the Arts Council distribute small grants in these specialist areas on behalf of the City Council. There are appropriate agreed controls in place to ensure governance of the grants awarded by these bodies.
- 3.7 In addition, applications are received from time to time for financial support from the Council outside of the annual process. Currently there is no process for dealing with these applications other than through consideration by officers taking the circumstances of each individual case into account. Current examples are included in Appendix 2. A separate one-off funding policy needs to be agreed. A report will be presented to the Committee on this item at a future meeting.

### Service Grants

- 3.8 The third category is for larger sums starting at £20,001 and above with a 5 year Service Level Agreement associated with a lease. These awards are intended only for

regularly grant-funded organisations delivering a very specific service in a designated Council-owned building with an associated lease.

#### **4. Alternative Options Considered**

- 4.1 Agree to continue allocating grant funding in line with current arrangements. This would not address the existing issues regarding the transparency of current award making.
- 4.2 Formally give notice to those organisations that currently receive medium level grants that we will be removing their grant funding with 12 months notice. This would result in services currently provided to the community by these organisations ceasing. The Commissioning approach outlined in the report will ensure that services are maintained but that value for money and non-financial considerations can be assessed annually at the award stage.

#### **5 Implications**

##### **5.1 Financial and Budgetary Implications**

If a decision is made to remove the current allocation of grants then formal notice to existing grant recipients would need to take place April 2019. Any change to the total amount being awarded will allow WCC to become more flexible with the size of the total pot awarded.

##### **5.2 Legal and Governance Implications**

Greater transparency in awarding grants. An annual review will take place and the findings will be reported to the Communities Committee.

##### **5.3 Risk Implications**

There will be a risk of reputational damage for the Council if allocated funding is removed or reduced particularly to third sector organisations which could potentially result in loss of some community benefits and cause financial instability for the organisation effected.

##### **5.4 Corporate/Policy Implications**

The proposals put forward will align with the Council's Corporate Plan and strategic direction

##### **5.5 Equality Implications**

Developing a clear and transparent approach eliminates discrimination and promotes equality

##### **5.6 Human Resources Implications**

The most significant implication would be time spent setting up the new process, monitoring and reviewing outcomes. Advertising and communication of the new grant process which would involve the Communications team.

A panel would also need to be set up for reviewing all applicants.

##### **5.7 Health and Safety Implications**

The most significant implication would be to ensure any agency in receipt to have relevant and compliant policies in place

##### **5.8 Social, Environmental and Economic Implications**

Impact of our voluntary sector

Size of voluntary sector and support to this sector

**Ward(s):** **ALL**  
**Contact Officer:** **Rhizina Shearer – [rhizina.shearer@worcester.gov.uk](mailto:rhizina.shearer@worcester.gov.uk)**  
**Background Papers:**

## Appendix 1 -Terms of Reference

### Background

At the meeting of the Communities Committee on 30<sup>th</sup> May 2018 a recommendation was agreed to establish a Task and Finish Group following the Community Services transformation review.

### Role

The role of the Task and Finish Group for Grants is:

- To undertake a focussed piece of work to consider how the City Council delivers its programme of grant support
- To review the process for the allocation of regular grant support to community organisations in the City
- To review the current small grants application, award and evaluation processes and 2017/18 pilot scheme for small grants
- Seek out good practice and establish best practice through research including other Local Authorities, Organisation and sectors as appropriate
- To make recommendations for revision to the grant programme and associated processes to the Communities Committee
- Review the method of monitoring grants and how information is shared
- Be clear on ownership of buildings

### Membership

Membership of the Forum consists of:

- Councillor Christine Cawthorne
- Councillor Roger Berry
- Councillor Stuart Denlegh-Maxwell
- Councillor Jo Hodges
- Councillor James Stanley

### Frequency of Meetings

The first of four meetings is scheduled to take place on:

- Monday 24<sup>th</sup> September 2018 – 6-8pm
- Tuesday 16<sup>th</sup> October 2018 – 6pm
- Tuesday 20<sup>th</sup> November – 5pm
- Tuesday 18<sup>th</sup> December – 6pm

### Agenda Items and Minutes

The Task and Finish Group is administered by Rhizina Shearer supported by Val Lazenby.

Proposed agenda items should be emailed to [rhizina.shearer@worcester.gov.uk](mailto:rhizina.shearer@worcester.gov.uk) no later than five working days in advance of meeting dates

An action table will be emailed to Task and Finish Group members within three working days of meetings.

## Appendix 2

Summary of the group considerations and principles recommended by the group  
for the existing Grants Scheme

### **Small Grant Proposal- up to £2,000**

- Increase small grant threshold from £1,000 to £2,000 for all strands of funding
- Introduce a simple grant awards letter to replace the existing SLA with confirmation of spend and follow up.
- Incorporate the "Member" pot of funding within the small grants total to address transparency issues. This pot would no longer be available for Members and form part of the monthly panel decision.
- All three funding streams detailed below are existing and currently in the base budget.
- The proposal is to amalgamate these pots and create one large pot which can be applied for through our Small Grants application process.
- Recommendations to create tighter controls within the awarding process are listed below

Existing Small Grants Funding Streams				
What Grant	Where From	Who To	What For	Notes
£25,000	<p>Previously allocated to "Our Happy Place" which supported Worcester's area of highest need distributed through a grants panel decision.</p> <p>No longer restricted to areas of highest need and organisations working across Worcester can apply.</p>	Various	Various	Currently Community Services base budget
£6,430	Funding previously supported the Volunteer Centre (Closed in April 2017)	Various	Various	Currently Community Services base budget

£3,720	Base budget usually Members who request through a senior manager for community groups or individuals to benefit from low level finance	Various	Various	Currently Community Services base budget
Total funding available for bidding		Total £35,150		

### **Principles for Small Grant guidelines for discussion and recommendation**

Discussion points	Decision by Task & Finish for recommendation to members
Support the Delivery of the City Plan in everything we do.	Agreed by Task & Finish Group
Increase the small grant threshold from £1,000 to £2,000	Agreed by Task & Finish Group
Introduce a simple grants awards letter to replace the SLA with confirmation of spend and follow up	Agreed by Task & Finish. Officer to work closely with legal to confirm details.
Not for Profit organisations only	Agreed by Task & Finish Group
No individuals to benefit – groups only	Agreed by Task & Finish Group
Volunteer match funding accepted as £11.09	Agreed by Task & Finish Group
End of Project Report to include a funding wheel to demonstrate return on investment – A4 side of paper only	Agreed by Task & Finish Group
No repeat applications from the same organisation within the same financial year. A project cannot be funded twice.	Agreed by Task & Finish Group
Reserves figure to be considered – Maximum figure should be 6 months operating costs in reserves	Agreed by Task & Finish Group
Maximum figure turnover – to ensure more needy organisations can benefit but should be set at a reasonably low turnover figure – six months	Agreed by Task & Finish Group
Request details of any parent organisations	Agreed by Task & Finish Group
Grant recipients to use City logo within all promotional advertising?	Agreed by Task & Finish Group
Top slice from this pot of funds to allow for admin support to administer grants. Up to 4 hours a week	Agreed by Task & Finish

Monitoring – what should it look like, keep it simple.

Agreed by Task & Finish Group

**Medium Grant Proposals - £2,001 - £20,000**

- Introduce grant principles for the award of medium levels of grant support to regularly funded organisations for a three year period giving organisations security and ensure a real difference can be made.
- A minimum of 12 months notice to be given where there are significant changes proposed to either process or funding levels.
- This will improve transparency of process and awarding criteria giving transparency of awarding grants and that a robust process is in place.
- Community and Member input for small & medium grants panel to ensure diverse input into the decision making and that members are aware of funding awards.
- Communities Committee to receive annual reports of key indicators from grant supported partners
- All organisations below are existing grant recipients in the base budget and have been allocated for many years. The recommendation is to remove the allocation process creating one large pot which can be applied for with a more transparent and focused approach similar to the Small Grants pot.

Existing Allocated Medium Grants			
Who To	Where From	What For	Amount
Sport Worcester	Currently in Community Services base budget	Sports Awards and small grants	£3,130
Worcester Arts Council	Currently in Community Services base budget	Arts groups	£3,150
Dancefest	Currently in Community Services base budget	Dance classes/performances	£1,540
Worcester Action for Youth	Currently in Community Services base budget	Support young people with club activities and Youth workers	£6,430
Shindig	Currently in Community Services base budget	Performance	£2,250
Worcester	Currently in	Community Transport	£18,540

Wheels	Community Services base budget		
Lyppard Hub	Currently in Community Services base budget	Community Centre activities	£18,360
Worcester Live	Currently in Community Services base budget	Worcester Festival	£19,840
Total funding available for bidding			£73,240

Principles for medium grant guidelines for discussion and recommendation	
Discussion points	Decision by Task & Finish for recommendation to Members
All applicants to support the delivery of the City Plan	Agreed by Task & Finish Group
Medium grant threshold £2,001 to £20,000	Agreed by Task & Finish Group
What do we want this pot to deliver, city Festival, community transport etc	Agreed by Task & Finish Group
Support organisations helping to deliver the City Plan	Agreed by Task & Finish Group
Dual signatory on bank accounts	Agreed by Task & Finish Group
Cash contribution to be used as match funding and volunteer hours	Agreed by Task & Finish Group
Keep it simple	Agreed by Task & Finish Group
Maximum figure turnover to target more needy organisations - keep the figure low	Agreed by Task & Finish Group
Monitoring – quarterly updates	Agreed by Task & Finish Group
Statement on application form to confirm all information is a true reflection of the situation and if found not to be funds to be repaid immediately	Agreed by Task & Finish Group
Reserves – Six months	Agreed by Task & Finish Group

### **Large Grant Support**

For regularly grant funded organisation delivering a very specific service e.g. City Theatre with associated youth theatre in a designated City owned building with an associated lease.

Who To	Where From	What For	Amount
Worcester Live	Currently Community Services base budget	Swan Theatre	£75,420
Worcester Live	Currently Community Services base budget	Countess of Huntington Hall	£27,870
Worcester Community Trust	Currently Community Services base budget	Buildings Management Fee	£72,130
Three Choirs Festival	Currently Community Services base budget	Triannual Payment when hosting the event	£32,000
Total funding committed			£207,420

### **Proposed Recommendations**

Large grants allocated annually all have an associated SLA.

Recommendation is to continue to award these grants but review the annual SLA arrangement giving consideration to a longer term and therefore more financial commitment over a longer period eg 5 year SLA

This funding will continue to be allocated in the same way with some clear KPIs in place

### **Existing One-off Grants**

Who To	Time Period	What For	Amount
English Symphony Orchestra	2018/2021	Supporting the Orchestra	£8,000 per year for 3 years £24,000
Worcester Arts Workshop	2018/2019	Worcester Arts Partnership has requested that Worcester City Council provides financial support to the charity of £30,000 each year for 2 years to help fund two positions: Fund raising consultant to write bids - 16k pa for 2 years Director of Transformation - 16k pa for 2 years	£32,000 split into 4 quarters
Worcester Community Trust	2018/2019	Appointment of a new member of staff to WCT management team Delivery to business plan targets and priorities Exit strategy development Board development	£54,000 split into 4 quarters
Worcester Play Council	2016/2019	To employ a qualified organisation for the services of a play coordinator for a period of three years in order to ensure that there is an increase in the number of children in areas of highest need that become involved in purposeful play activity. To involve volunteers from the community in such activities	£40,000
Disability Sport Worcester	2016/2019	DSW Development Officer time in managing projects and delivery in Worcester City area.	£30,000
Total		£180,000	

NB: Director of Finance is currently writing a policy for one off grants

<u>Administration Support</u>	
Discussion points	Decision by Task & Finish for recommendation to Members
Weekly function to administer small grants ½ day per week	Task & Finish group approved
Panel administration – meetings bookings and paper work distribution with action notes	
Collate and record applications for panel review	
Writing to successful and unsuccessful applicants	
PR around success stories	
Processing payments and record keeping	
Updating Pentana indicators	
Monthly and Quarterly grants administration function	
Chasing SLA data	
Meeting administration	
One off grant chasing	
End of project report chasing	
PR – internal and external (eg regular slot in City Life)	
Updating KPIs	
Networking for events	

## Assessment criteria score sheet for One Worcester Community Grant applications

### Scoring:

- 0 = Indicates area of weakness that should be addressed prior to commencement of project  
 3 = Indicates appropriate approach that will be demonstrated through the delivery of the project  
 5 = Indicates clear demonstration that criteria are being addressed.

PROJECT TITLE: KEY CONTACT:		
CRITERIA	SCORE	NOTES
<p><b>A. Strategic Fit</b>                      Identification and extent to which project meets the OHP Community Grant target outcomes as well as meeting any other key local strategies that align to any one of our target outcomes.</p> <p>For example, a project which delivers One Worcester outcomes may also deliver outcomes which meet the City Plan</p>		
<p><b>B. Project Structure &amp; Outcomes</b>                      Demonstration that the project appears sound in terms of identification of a clear purpose, and clarity with regard to deliverables and activities will be required to meet this purpose.</p> <p>What is the project hoping to achieve? How far does it meet the outcomes?</p>		
<p><b>C. Need</b>                      Demonstrate detailed evidence of need for this activity and the details of any consultation with direct beneficiaries, local people and with partner organisations.</p> <p>Why is this project needed? What is the identified need? Have the target beneficiaries been identified and quantified? Have the target beneficiaries been consulted or have they helped shape the project?</p>		
<p><b>D. Added Value</b>                      Demonstrate evidence of how the project adds value or strengthen current or future local services or projects.</p> <p>Does project detail any joint work with current services, organisations or projects in order to deliver? Does the project remove barriers to existing services? Does the project 'fill a required gap' identified by a current service or organisation?</p>		
<p><b>E. Measurement and Impact</b>                      To show that adequate mechanisms will be put in place to generate information that allows assessment of progress, achievements and</p>		

<p>impact of project.</p> <p>What effect will this project have on the most deprived or disadvantaged, or particular groups, within the community? How will this be measured?</p>		
<p><b>F. Capacity</b></p> <p>Demonstrate that group is fit to deliver the project effectively.</p> <p>Can the group demonstrate that they have people, skills and resources in place to deliver project? Does the group have a previous experience or track record of successful delivery? Does the group have plans to develop capacity? What risk assessments have been considered for things that might not go according to plan?</p>		
<p><b>G. Value</b></p> <p>Confirmation that costs of the project are reasonable, sufficient for the expected outcome and value for money.</p> <p>Why is the initiative value for money? What other funding is being matched?</p>		
<p><b>H. Exit Plan and Sustainability</b></p> <p>Details of exit plan for project (if pilot project) and/or details that the project will be maintained in the longer term.</p> <p>What action/s will be taken to ensure project will be sustained after the funding ends? If the project is a pilot how will the lessons learnt be shared or how will any success be built on?</p>		
<p><b>I. Area/s for Improvement</b></p> <p>This section is for the funding panel to record any areas of improvement which can then be shared with the applicant to help them learn and improve their funding application skills.</p>		
<p><b>PANEL DECISION:</b></p>		

