

**TITLE OF REPORT: ITEM REFERRED FROM OVERVIEW AND SCRUTINY COMMITTEE:
7 JUNE 2016 – REVIEW OF NHDC GRANTS AND GRANT POLICY**

The following is an extract from the Draft Minutes of the Overview and Scrutiny Committee meeting held on 7 June 2016.

10. REVIEW OF GRANTS AND GRANTS POLICY

The Strategic Director of Finance, Policy and Governance advised that she would be presenting the report as the Head of Policy and Community Services was unable to attend.

She informed Members that, since publication of the report, further consultation with the Executive Member for Community Engagement and Rural Affairs had resulted in a number of changes to the report to be presented to cabinet including:

Paragraph 1.4 to read:

“To enable Cabinet to receive and consider proposals to improve the current grant award processes and criteria to meet latest requirements, including contractual, financial, equality, and transparency regulations”

Paragraph 2.1

Bullet point 2 to be deleted

Bullet point 3 to be deleted

Bullet point 4 to read: “Grants awarded to be in excess of £250 only, but remain subject to further review”

Paragraph 2.5 to read

“Agree that Sport North Herts and Stevenage and North Herts Women’s Resource Centre funding be reviewed in late 2016 to measure any benefit or impact of public health or other budget changes, and that following review the decision be taken by the Head of Policy and Community Services in discussion with the Executive Member for Community and Rural Affairs grants to continue, reduce or cease funding from 2017”

Paragraph 2.7 to read

“Agree that from financial year 2017, annual grant funding under Major MoU to RELATE and the North Herts Minority Ethnic Forum cease.”

Paragraph 2.9 to be deleted.

The Strategic Director of Finance, Policy and Governance advised that the current Grants Policy dated from 2002, which predated austerity measures following which the Council needed to make tough choices.

The report provided feedback and proposals regarding the recommendations of the Task and Finish Group on Grants and Financial Assistance, which took place during 2013 and the Shared Internal Audit Service (SIAS) review of the Council’s grant making process.

She drew attention to Paragraph 2.3 of the report which recognised that there were alternative ways to support community groups including reviewing the role of the Communities Officers and how they could best contribute to building capacity and sustainability in the local community.

Members were keen that the North Herts Citizens Advice Bureau and the North Herts Centre for Voluntary Service not be affected as reflected in Paragraph 2.4.

Paragraph 2.6 reflected the view that funding for the North Herts Arts Council and British Schools Museum should be via the service budget of the Museum and Cultural Services Department.

Although it was recommended to cease funding under Major MoU to Stevenage and North Herts Women's Resource Centre, Relate and North Herts Minority Ethnic Forum, this would not prevent applications being made for grant funding.

The proposed Grants Policy sought to make clear who could and could not apply for funding and the types of expenditure that NHDC would not fund such as in 2010 the Council took the decision not to fund precepting bodies.

Members noted that it had taken a lot of work and therefore time to produce the report and were pleased that the recommendations of the Task and Finish Group had been at the heart of the development process.

Members expressed concern at the proposed cessation of Major MoU funding to the Minority Ethnic Forum and the Women's Resource Centre, particularly in regard to how many users would be affected and asked for some statistical information to be circulated to Members. There was also concern as to whether discussions had taken place with the organisations directly affected by this proposal. They asked that the legal implications specifically regarding cessation of funding to these groups be checked and recorded.

The decision taken by Council not to fund Town Centre Partnerships and precepting bodies was acknowledged, but Members felt this applied to the day to day business and not intended to restrict applications for project funding by these organisations.

The Strategic Director of Finance, Policy and Governance advised Members that the Council needed to make savings of between £2.6 million and £4 million. There were a number of statutory requirements and every Head of Service had been charged with offering cuts, but the decisions such as not to fund precepting bodies or Town Centre Partnerships were taken by Members. The concept was that Town Centre Partnerships would be pump primed to enable it to generate its own income. She also advised that organisations working with these bodies could apply for funding.

In respect of consultation, she reassured Members that all groups had been consulted.

Members welcomed the reduction in the proposed minimum grant but were concerned that the Policy consisted of a lot of rules rather than looking at what could be achieved. The document also contained conflicting messages such as the Council will not subsidise salaries, yet the grant to North Herts Citizens Advice Bureau did exactly that. Sometimes an organisation just needed a small amount of money to keep them going.

In respect of those MoU being effectively changed to contracts, there was concern that these could be managed effectively, as contracts with voluntary organisations was very different from managing a commercial contract.

The Strategic Director of Finance, Policy and Governance advised that the recipients of Major MoUs were used to being monitored and providing services under contract.

The Council needed to make it clear that groups had to find funding for costs such as salaries and that NHDC may be able to help with specific projects,

She acknowledged the difficulties in monitoring contracts with voluntary organisations.

Members felt that the policy was cost-driven rather than achievement led and that the current presentation of rules would encourage organisations to set up groups just to apply for grant funding and that accounting information may be presented in a way that appears to reduce the balances. They felt that the tone of the document was negative and instead should lay out what NHDC wanted to achieve and link this to the Corporate Priorities.

They were worried that the impact of a new policy on community groups should be monitored and agreed that this could be achieved by way of a Task and Finish Group and there was some discussion about whether Area Committees should be consulted prior to implementation

The Strategic Director of Finance Policy and Governance advised that area committees had been extensively consulted during the previous Task and Finish Group on grant funding and that there was a need for a policy to be introduced in the near future and that a Task and Finish Group to review the impact of a new policy could make recommendations to Cabinet who could then chose to change that policy.

After some discussion Members agreed that area committees should be asked to make a contribution to a Task and Finish Group.

Members agreed that, if Cabinet should decide to implement this policy, they should be requested to undertake a full review in 12 months.

RESOLVED:

- (1) That the Strategic Director of Finance, Policy and Governance be requested to circulate to all Members of the Committee the following information:
 - (i) How much was the amount of the MoU granted to the Stevenage and North Herts Women's Resource Centre;
 - (ii) How many women from North Hertfordshire used the Stevenage and North Herts Women's Resource Centre.
- (2) That, when a new policy is adopted, a Task and Finish Group to investigate the impact of the Policy on community groups be scheduled into the work programme to which area committees will be asked to contribute.

RECOMMENDED TO CABINET:

- (1) That the Grants Policy should be redrafted in a more positive manner and should lay out what NHDC wanted to achieve and link this to the Corporate Priorities;
- (2) That the legal implications specifically regarding cessation of funding to Stevenage and North Herts Women's Resource Centre and North Herts Minority Ethnic Forum be checked and recorded;
- (3) That, if Cabinet should decide to implement this policy, they be requested to undertake a full review in 12 months time.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to comment on the Review of Grants and Grants Policy prior to consideration by Cabinet.

[NOTE: The report to which this referral relates is Item 13 on this agenda.]