

**LETCHWORTH COMMITTEE
3 SEPTEMBER 2014**

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

8

TITLE OF REPORT: GRANTS POLICY REVIEW

REPORT OF THE HEAD OF POLICY AND COMMUNITY SERVICES

1. SUMMARY

- 1.1 This report outlines the review of the Council's grant policy and incorporates proposals for improvement arising from relevant financial management and governance issues, internal audit on the effectiveness of Area Committees, and Overview and Scrutiny Task and Finish group recommendations, originally presented to Cabinet on 30 July 2013.
- 1.2 A number of changes are proposed, some to commence within the 2014- 2015 financial year, others to commence at the start of the 2015 - 2016 financial year, such dates identified within relevant sections of this report.
- 1.3 This report incorporates more recent recommendations arising from the Draft Grants Policy Review report as submitted to the Overview and Scrutiny Committee on 29 July 2014, and their submission to, consideration and review by the Council's Cabinet on 5 August 2014.

2. RECOMMENDATIONS

- 2.1 That the Committee approves the attached draft Grants Policy in principle, incorporating any agreed amendments following discussion, for recommendation back to Cabinet in December 2014.
- 2.2 That the Committee note the updated advice provided to Area Committees in regard to their budgets, authority for decision making and delegations as currently afforded to those Committees by Cabinet in the Council's Constitution.
- 2.3 That the Committee note that the outcome of the review of Memoranda of Understanding and proposals for future funding of key agencies will also be reported, by separate report, at the Cabinet meeting in December 2014.
- 2.4 That, in line with the Cabinet recommendation, the Committee discuss and propose options in regard to the splitting or not of Area Committee grant budgets, and to any replacement of 'fast track' grant processing, including their preferences regarding definition of 'urgency' of such funding.

3. FORWARD PLAN

- 3.1 This report contains recommendations and gives reference to key decisions first notified in the Forward Plan December 2013

4. REASONS FOR RECOMMENDATIONS

- 4.1 The awarding of grants to voluntary organisations, use of funds devolved to Area Committees and specialist grants to support a range of rural environmental and other schemes allows the Authority to further its aims and overarching Priorities of the Council and District, not least our priority of 'working with our local communities'.
- 4.2 A number of the proposals contained within this report refer back to the previously agreed outcomes of the Overview and Scrutiny Task and Finish Group in regard to the Council's grant making processes, to the SIAS (shared internal audit service) review of Area Committee grants in late 2013, and examination of a number of recent grant decisions as part of the Head of Policy and Community Services' review of application of the policy.
- 4.3 There may be more minor amendments in regard to strengthening internal controls on the receipt, processing and award of grants still required and thus Cabinet agreed on 5 August 2014 to delegate the authority for such amendment to the Strategic Director FPG in consultation with the portfolio holder for Community Engagement and Rural Affairs
- 4.4 The existing use of 'fast track' grant processing has been reviewed by the shared internal audit service and as referred to at Section 7, recommended that it be reviewed on the grounds of good governance and appropriate financial controls. We are inviting members to comment on what they see to be any urgency on which grants may be awarded, and to what value, in order that officers may propose a more robust system.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 There are a range of alternative options which have been considered in the review of the grants policy. The existing Grants Policy is outdated and subsequent revisions to individual parts has left a document no longer fit for purpose or which does not properly align with Constitutional or Financial regulation, and legislative changes,, so remaining 'as is' is not an option officers can recommend to members. There are of course also options to cease grant funding altogether, to make Constitutional changes to centralise the grant awarding process which may provide efficiency savings, or to adopt the County model and allocate a small budget to each Member/Ward for distribution. Whilst officers are not suggesting these options at the present time, area committees' views on delegating grants to individual Members or Wards is invited, as are comments on any replacement for the former 'fast track' grant process..

6. BACKGROUND

- 6.1 The Authority has been operating to the current Grants framework within 'The Policies and Procedures for Financial Assistance to Voluntary and Community Organisations' (November 2002). Since its first adoption, a number of revisions to the original policies and procedures were made to and approved by Cabinet in July 2005, with additional updates put forward by a Member Panel in February 2009. There have also been a number of minor changes in other policies which impact the award and payment of grants – NHDC Financial Regulations and Contract Procurement Rules, and the Council's Constitution– which now need to be better aligned to a revised grants policy.
- 6.2 In 2013, elements of these Policies & Procedures were subject to an Overview & Scrutiny Task & Finish Group Review and more recently, in late Autumn 2013, a Shared Internal Audit Services (SIAS) Review.
- 6.3 To address the outputs of both reviews, refresh the original aims and objectives in awarding grant funding to reflect changes in national policy and regulation, better reflect priority areas for expenditure, ensure sound governance and appropriate financial controls, a more robust and targeted process for awarding grant funding is essential in order to maintain and continue the support to a wide range of groups and communities across the District. Inadequate controls on expenditure are not only inappropriate to the expenditure of public money, but failure to provide adequate structure and application of a more consistent process devalues what the Council seeks to provide by way of the grants it awards.
- 6.4 The document reviewing the Task and Finish Group recommendations and draft Grants Policy has been subject to review at the Overview and Scrutiny Committee held on 29 July 2014, with these recommendations were made to the Council's Cabinet:

25. GRANTS POLICY REVIEW

RECOMMENDED TO CABINET:

- (1) That it not be prescribed as to whether Area Committees can split their budget, including into Ward or Member budgets;
- (2) That fast-tracking of urgent grants continue up to a limit of £250;
- (3) That Major MOUs be re designated as District Grants and not be considered as part of the grants process;
- (4) That the title of the second column of the Summary Grant Award Matrix (Grants Policy - Paragraph 7) be retitled "Maximum value that can be recommended by Officers";
- (5) That, on condition (4) above is agreed, the Summary Grant Award Matrix (Grants Policy – Paragraph 7) be supported;
- (6) That there be two distinct types of grant called "Area Grants" and "District Grants";

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

6.5 Following presentation to and discussion at Cabinet on 5th August, the following were resolved:

9. GRANTS POLICY REVIEW

RESOLVED:

- (1) That draft Grants Policy, attached at Appendix A to the report, be approved in principle, incorporating any agreed amendments following discussion, for consultation with Area Committees in the September 2014 cycle;
- (2) That each of the amendments as proposed to the Council's grant making process arising from the internal audit review of Area Committee Grants, be agreed in principle;
- (3) That the updated advice provided to Area Committees in regard to their budgets, authority for decision making and delegations afforded to those Committees by Cabinet in the Council's Constitution, be noted;
- (4) That the Strategic Director of Finance, Policy and Governance, in consultation with the Portfolio Holder for Community Engagement and Rural Affairs, be delegated to make any minor amendments as may be required to the grants policy with regard to any increased internal controls as proposed by internal audit;
- (5) That it be noted that, following consultation with the Area Committees in the September 2014 cycle, the views of the Area Committees be reported back to Cabinet to inform the final decision on the revised Grants Policy;
- (6) That Recommendations (1) and (2) of the Overview and Scrutiny Committee, concerning Ward Member budgets and fast-tracking of urgent grants, respectively, be drawn to the attention of Area Committees as part of the consultation exercise referred to in resolution (5) above, in order for the wider view of Area Committees to be included in the report back to Cabinet;
- (7) That Recommendations (3) to (6) of the Overview and Scrutiny Committee be supported, subject to the re-naming of "District Grants" to "District-wide Grants" in Recommendation (6); and
- (8) That a report back to Cabinet be received in late 2014 on the outcome of the review of Memoranda of Understanding and proposals for future funding of key agencies.

REASON FOR DECISION: To commence the process of consultation on the draft Grants Policy, prior to a final decision being made later in 2014/15.

6.6 Overview & Scrutiny Task & Finish Group Review on Grants

Summary of Recommendations & Updates

6.6.1 Recommendation: The Council (or its Area Committees) should consider giving more direction on the priorities for grants, perhaps by setting clearer priorities and reviewing these regularly.

There is now a wealth of 'live' and relevant statistical data which can inform local need, and which is more responsive than relying on ten yearly Census or interim data; a considerable degree of reliance was previously put onto the 'Indices of Deprivation' demonstrating the Authority's most deprived wards, but the publication of this dataset is to cease shortly.

It is therefore suggested that alongside any grant needing to show its link to the Council's priorities for the district, Promoting Sustainable Growth, Working with our Communities and Living Within our Means, there is a system in place which will enhance those applications which may deliver against an agreed local need, which may include:

- Joint Strategic Needs Assessment (health and wellbeing data);
- Thriving families/child poverty data;
- Information from local community agencies regarding latest trends, i.e. debt advice, managing finances, financial literacy, basic skills levels increase in demand for community support, changing demographics, etc;
- Policy changes to address needs of older people/carers, requirements to increase physical activity across the population, encourage healthier lifestyles;

The Authority has also committed Member and Officer time to a range of strategic plans, some of which are identified in Appendix 1 to the Grant Policy attached as **Appendix A** to this report. It is therefore appropriate that those applications which can build on those aspirations are prioritised for any grant award.

6.6.2 Recommendation: The Council should review its grants guidance notes to make sure they are fit for purpose and user friendly.

The guidance notes have been updated and reviewed to ensure that they, and the new application form, are as easy to understand and use as possible and officers welcome comments from members on any other areas they feel should be clarified.

The grant application form as revised will be available on the internet only, reducing the need to print and submit paper copies in future, Members should note that as part of the improvement to the grants policy and especially the 'transparency' agenda for decision making, the application form attached as Appendix B to this report will accompany any application to Area Committee in future. The revised form also emphasises that the onus is on the applicant to complete their submission in full; any applications which are not complete will be returned to the applicant.

Officers have sought the views of external agencies which support the local community/voluntary sector to ensure that the application form captures what is realistic, without being too onerous; they are supportive of what is proposed here.

6.6.3 Recommendation: Officers should make clear reference to the appropriate guidance note when making recommendations to Area Committees when they are considering grant applications.

As referred to at 6.4.2, the grants application form which is to be published as part of the Area Committee reports has been revised and contains significantly more information than previously; the form also requires officers to confirm that the application has been checked and is in accord with the Council's grants and overall policy direction. The number of the relevant guidance 'note' within the policy can be quoted in any report.

The report template for Area Committees used by Community Development Officers (only) has also been revised and re- titled 'Community Update and Grant Applications'. The intention is to formalise and make better record of decisions required of each Area Committee, by officer recommendation on each grant

application submitted; the agreement of an individual recommendation forms a formal 'decision' on which the grant may be paid, and were Members minded to award more/less than recommended, then an amendment to recommendation by resolution would capture that decision too. This forms a more robust audit trail for grant payment purposes than previously.

6.6.4 Recommendation: Area Committees should check whether grants have achieved the objective for which they were originally intended by receiving a formal annual report or similar from the CDO on the outcome of projects.

Each Area Committee have handled this differently in the past, as some have invited grant recipients to return to the Committee, or ahead of the Committee meeting, to feedback how the project progressed and that it achieved the original objectives. In order to enable each Area Committee to maintain the most relevant approach for them, it is proposed that Officers prepare an Annual Review of Grants awarded by each Committee, with an option to call recipients into a grant funding 'event' should Members so wish. In exercising such an option, Members and Officers should be mindful that any progress report and requirement placed on community groups should be proportionate to the grant awarded.

6.6.5 Recommendation: Cabinet (or a relevant Portfolio Holder) should monitor whether recipients of grants covered by major MoUs have achieved their objectives and consider whether there should be closer Member oversight through the Overview and Scrutiny Committee and/or a Member working group.

It is proposed that this recommendation be considered during the full review of major MoUs, which has commenced and is scheduled to take place throughout the financial year (2014- 15) and report back to Cabinet on 16 December 2014.

Since the original Memorandum of Understanding process commenced, there are new regulations and contract/procurement legislation in place which determine that some such financial arrangements actually constitute a contractual arrangement, whereas some are grants; much depends on the purpose for which the award is made, and any which comprise a service which the Council itself (or a contractor on our behalf) could undertake is generally contractual. At the time of writing this report, it has become evident that more than 50 per cent of what were originally 'grant funded' organisations need to have a more formal contractual arrangement in place, and for the remainder, a more robust 'service level agreement' document will need to be developed.

The timing proposed, through 2014, with report to Cabinet in December 2014, with any changes to commence from the start of April 2015, is also intended to ensure that organisations currently experiencing the most major changes both structurally and in levels of demand, such as CAB, the North Herts CVS etc, can operate sufficiently long in that new arena to inform their future plans/needs/service delivery methods. All agencies currently receiving payment from the authority through existing Memoranda of Understanding have already been made aware, in the award of their 2014- 15 payments that there may be changes to their funding and how the Council manages that funding, from 2015; the MoU agreement itself requires that the Authority provide a minimum three months notice wherever possible.

It is also intended that comparison be made, through a value for money review being conducted in parallel, of the level of funding other Hertfordshire and 'similar' authorities make to the larger grant recipients; this should enable Officers to assess

where the Authority's 'per capita' spend lies in comparison and make any recommendations necessary in regard to suitable levels or any which should be prioritised/de-prioritised for grant or contractual funding.

NHDC can then have a more meaningful dialogue about how the various groups can deliver priority areas of work on behalf of the Authority, and agree the level of funding toward that jointly agreed work programme. The climate is generally one of 'commissioning' groups to deliver – being clear in specifying what the Council requires of an organisation, and how it will performance measure delivery – than the much more informal MoU process currently in place.

Major MoUs currently awarded by the authority relate to the following organisations;

	£
Grants -North Herts CVS	20,150
Grants –Relate	4,710
Grants Area Rape crisis line	560
Herts & Middlesex Wildlife Trust	2,880
Countryside Management Service	33,290
Citizens Advice Bureau	145,430
Hitchin British Schools	8,860
Groundwork	15,050
Sports North Herts	5,930
Arts Council for North Herts	10,990
NH Minority Ethnic Forum	10,530
Stev & NH Women's Resource Centre	1,360
Letchworth Arts Centre*	9,411
TOTAL	<u>£269,151</u>

* *The Letchworth Arts Centre was previously included in the Letchworth Committee grants budget as a 'local facility', but it is increasingly apparent that the funding of this facility provides the only gallery facility of its size for the District, and should therefore be considered alongside other such district-wide agreements.*

6.6.6 Recommendation: The role of NHDC appointees should be made clearer by means of a formal briefing note to such individuals and they should have a more prominent role in reporting back to the Council on the performance of major grant recipients. The mechanism for them doing so should be clearer.

This review has been completed, and a number of new arrangements have been introduced from the new Civic Year 2014- 2015 since it also forms part of the Constitutional Review. The review proposed a rationale regarding which bodies NHDC appoints representatives to, clarified what the role of each nominee to that external body etc is (as a trustee, a non-voting observer, director, etc) and additionally sought to identify those elected Members who are already on governing bodies in their own regard. Officers have finalised a Councillors' guide to external representation to accompany these changes, a system by which external representation can be reviewed more regularly/effectively and formalising reporting mechanisms back to relevant Committees/Members/Officers.

This will be reviewed again once the position in regard to MoUs/contracts is clarified, as this may require Member representation to also change.

6.6.7 Recommendation: There should be provision to award a new district-wide grant, and Cabinet should ask the Head of Policy and Community Services to investigate the practicalities of district-wide funding and report back to the Overview and Scrutiny Committee in due course.

Consideration of a district-wide grant has formed part of this wider grants review, informed by review of applications made to Area Committees in the past five years.

It is clear that the current process of approaching every individual Area Committee is time consuming, cost additive to both the applicant and NHDC, and can demonstrate inconsistencies where one Committee chooses to fund yet another may not – but of course the original proposal as made remains for the *District*.

It is therefore proposed that as a first step, the total amount awarded to Area Committees be ‘top skimmed’ by £10k from 2015/16 to provide an initial district wide grant. The proposal therefore suggests **either** funding from this source **or** from an Area Committee and not both. It will only be through its use in the first year that it can be determined if this level of funding is sufficient, or exceeds district demand, but the figure at this stage can only be estimated and based on an average of previous levels of demand.

When a grant application is received, it would be reviewed by the Community Development Officers to assess whether it is Area Committee specific or covers the whole District. Applications falling into the latter category would then be determined in accordance with the existing delegations to the Head of Policy and Community Services, who in discussion with the portfolio holder for Community Engagement and Rural Affairs, will determine whether funding be awarded and to what level, based on the application as made, supporting financial documents, and provided the grant meets agreed criteria. Applications in the District wide category will not be submitted to Area Committees..

6.6.8 Recommendation: Minor MoUs should be reviewed within the scope of the other recommendations made in the T&FG report.

The situation with regard to minor MoUs has been considered as part of this overall review of the grant making process. Minor MoUs were moved into Area Committee budgets a few years ago to ensure their consideration alongside and in the same manner as other grants made by each Area Committee; however, it is apparent that there is lack of transparency about the review process, the rationale for funding an individual minor MoU versus similar groups needing to make a formal grant application each year, and consideration is made at some Area Committees, but not at others, where the grants simply roll forward ‘as is’ into the next financial year. This is not sufficiently consistent across the District and removes the element of ‘challenge’ other groups experience by presenting to, and answering the questions of, an Area Committee or grant panel. The current minor MoUs are:

	£
Letchworth Town Twinning	280
Howard Garden Social Club	4,740
Yvonne Savage Club	290
Letchworth Mind	300
Wednesday Drop in Club	490
Letchworth Arts Centre	9,410
Mind Yourself	300
Hitchin Link – twinning	260
Hitchin Senior Citizens Welfare	3,400
Apna Duniya	280
Hitchin Festival	1,880
Hitchin Town Centre Initiative	5,270
Soundbase	2,250
Royston Town Twinning Special Grants	170
Royston Cave Special Grants	750
Volunteer Bureau Social Services	2,750
Community Transport Social Services	2,200
Baldock Town Twinning	240
Ashwell Museum	260
Baldock Festival	820
Baldock Retirement Sewing club	320
Baldock Rotary Club	750
Baldock Senior Club	1,040
Baldock Town Partnership	1,860
Total	40,310

It is therefore proposed that minor MoUs should no longer be used, for a number of reasons outlined below:

- The authority, as all local authorities, is increasingly required to demonstrate 'transparency' in its decision making, and publishes details of expenditure on grants awarded to the community and voluntary sector, and general expenditure over £500 to ensure the public can better see how their Council Tax is spent. At present, there is insufficient evidence that individual minor MoUs are examined in the same manner as those making a grant application, often for a much smaller amount;
- The SIAS audit review pointed to lack of consistency in funding a similar organisation across the district where a group, for example a local branch of the Rotary Club or WI, are required to apply for a grant, whereas in an adjoining area, they are simply awarded what is effectively a 'rolling grant' with minimal challenge about what it will deliver.

It is therefore proposed that for 2014 - 2015, all minor MoUs remain 'as is' **but** that the awards are proposed and determined for each Area Committee area – and that decision Minuted, effectively treating them as a grant. The relevant recipients will then be made aware that this is the last year in which the certainty of longer term funding exists, and thereafter, they will be required to submit an application each year outlining their plans; this need not be more time consuming, as applications are made electronically and can be stored and updated by the group for each submission as necessary.

6.6.9 Recommendation: The Council should review the designation of district wide and Committee specific grants governed by MoUs to ensure they are correctly allocated.

As previously described above, the Major MoUs will be subject to detailed review with relevant Officers and groups themselves through 2014 and a further report to Cabinet in December 2014. As indicated in 6.4.8 above Minor MoUs will cease from end March 2015, and any group currently receiving funding through a Minor MOU will be required to submit an annual application to the relevant Area Committee to seek a renewal of funding based on their latest plans/identified needs. The grants currently assigned for Minor MoUs will be added to the relevant Committee's main area grants budget..

6.6.10 Recommendation: The allocation of grants to Area Committees should be updated to reflect the latest census data.

This was completed in April 2013 and is to be reviewed using data models of population growth/changes as available at five yearly intervals.

6.6.11 Recommendation: Cabinet should consider the Terms of Reference of the Rural Grants Fund to take into account the ability of parishes to raise more funds through their local precept. (this is considered in conjunction with 6.4.12 below).

6.6.12 Recommendation: The administration of the Rural Grants Fund should remain unchanged for two years, at which time Cabinet should consider whether it should be re-distributed into the relevant area committee budgets

At its meeting on 30 July 2013, Cabinet agreed these recommendations in respect of Rural Grants. The Rural Grants Fund conditions will therefore be reviewed in the context of ability/feasibility for precepting Authorities to contribute, and any new criteria refinements applied during the 2014-15 cycle; that timescale also meets the request for rural grant awards to remain 'as is' for a period of two years. An update on this review and proposed changes to the Terms of Reference of the Rural Grants Panel will be included in the report back to Cabinet on other grant funding changes on 16 December 2014.

It is also made more explicit within the revised grants policy that any application from a precepting Authority will be required to provide confirmation of their own funding and level of funding which will be contributed before any grant application will be processed/considered.

6.6.13 Recommendation: The Council should calculate the actual and notional benefits which are given to community groups in addition to grant aid; and these figures should be made available to Councillors when organisations apply for assistance from the Council.

To capture an effective table of all benefits for each and every group seeking grant funding could be resource intensive, and out of proportion to the grant sought, especially if an application were then rejected or the project failed to proceed. However, it is proposed that the new grants form will be accompanied at any Committee/Panel by a schedule showing how many grant applications a body has made and how much paid to them, in the past five years; there will also be

evidence of other benefits afforded by the Authority, such as discretionary NNDR (non domestic rate) relief. As it is no longer Council policy to provide grant funding to pay for the hire of the Council's own halls, this former 'benefit' which previously existed no longer applies and can be removed from the equation.

- 6.6.14 Recommendation: Wherever possible Area Committees should be made aware of contemporaneous applications to other grant awarding bodies when considering applications. The application form should ensure this aspect is covered.**

This has been considered and the proposed revised documentation includes information on other grant applications having been made, received or anticipated. Some national funding bodies take a considerable time to confirm funding awards, but Members are reminded that they can in such situations agree to award NHDC funding 'in principle' and subject to that external funding coming to fruition. With regard to other local grant funding organisations, such as LGCHF, officers are liaising more closely to explore options for groups who apply to both bodies; whether both provide funding to a single project, or agree elements they can individually fund on the same project.

- 6.6.15 Recommendation: Cabinet should consider whether Area Committees, with the support of the Community Development Team, might be better placed to identify projects which could be funded by Section 106 monies and Unilateral Undertakings(UU).**

Planning and Development and Community Development officers already work closely on the identification of potential projects for which s106 or UU funding may be sought at the time of development; this is in part informed by discussion with parishes, local Councillors and as suggested, an Area Committee, regarding potential projects to be put forward to developers.

However, it should be stressed that such negotiations take place in an increasingly challenging development environment. Where there are funds available to the Authority, then it is for the Planning and Development team to confirm the suitability of any grant application to fulfil quite rigorous s106/UU funding criteria; the penalty for not complying with the relevant legislation or trying to be too flexible in its interpretation is a custodial sentence. In order to better demonstrate to members that s106/UU availability is also sought as a potential source of funding, it is now recommended that any proposal for which s106/UU is sought, be accompanied at application stage by the written confirmation of planning officers; this will ensure that Members are aware of the feasibility of such joint funding at the time of determining the award of a grant.

7 Shared Services Internal Audit Review – Area Committee Grants Summary of Recommendations & updates

- 7.1 As part of the on-going review of the Constitution consideration should be given by the Portfolio Holder for Community Engagement and Rural Affairs and the Head of Policy and Community Services to the following:
- 7.1.1 The assessment and allocation of Area Committee Grants to ensure consistency and timely approval to all grants applied for;
- 7.1.2 The continued use/appropriateness of Fast Track Applications;

7.1.3 The continued use of Memoranda of Understanding.

7.2 Responses and actions underway/completed;

7.2.1 Under the Council's Constitution, Cabinet may exercise by resolution, 'to oversee the Authority's overall policy on the voluntary and community sector.

The delegations to Area Committees include:

"budgets for the purpose of providing grants and discretionary budgets that may be used within the area of the Committee for economic, social and environmental well-being"

Within the Area Committees' Terms of Reference, they are empowered by resolution:

- (a) To allocate discretionary budgets within the terms determined by the Council
- (b) To allocate devolved budgets and activities within the terms determined by the Council.

The assessment and allocation of Area Committee grants has been reviewed, and in part informed by the SIAS review in autumn 2013. Area Committee grants are delegated by Cabinet to the relevant committee as a single entity under the Constitution, and thus remain a corporate budget of the Authority; the overall Area Committee budget remains the responsibility of the Head of Policy and Community Services.

It is apparent that a process of then devolving the responsibility for 'Ward' or 'Member discretionary' budgets has then developed through local 'custom and practice' in some Area Committees. This has been in existence for a number of years.

However, there is no specific authority for such expenditure to be delegated to individual members; there are also a considerable number of risks in doing so.

1. By the very nature of such informal devolution, this could cause difficulty for Members who would then wish to be involved in a formal Committee decision;
2. For smaller Committees, the increased possibility that a Committee could frequently prove inquorate in-meeting, as those Members previously mentioned on a grants form as having 'agreed' funding may not be able to be involved in a discussion and resolution to fund/or not;
3. Further, where there is a necessary 'pause' in the Area Committee cycle to accommodate elections, it could be seen that the informal 'award' of grants by Ward Members in the remainder of the civic year, outside the Area Committee cycle, gives them a benefit not afforded to members in areas where such devolution of budget does not exist;
4. There must be greater consistency, transparency and importantly, controls in place to ensure that any expenditure made by the authority is based on a sound decision making process, with a suitable audit trail to support.

7.3 Members who are also Herts County Councillors will be aware that the County model is entirely different; each County Member is awarded £10k per annum to spend in their area on appropriate projects. This system does not exist at the District level where, instead, we have Area Committees with budgets delegated to the whole Committee for the award of grants; to then try to break this down to lower levels is not appropriate within that system and Members may wish to consider whether they would wish to explore a Constitution change to permit each Councillor to have a small allocation from within the total Area Committee budget or the proposal at 7.4 below.

7.4 It is therefore proposed that one area where we can ensure greater consistency of decision making and good governance is to assign Area Committee funds into a smaller set of simple budget lines, namely:

Councillors surgery costs – costs for officer support, use of and erection of gazebos etc;

Additional meeting costs – an amount assigned out of the Area Committee general fund to cover costs of alternative venues, audio equipment, refreshments etc;

***Rural allocation** - determined on per capita basis for rural wards within the area committee boundary;

***Urban allocation** – determined on per capita basis for Urban Wards within the Area Committee boundary.

**these allocations will be indicative and can be moved between the two where demand from one area may be higher than the other, provided a majority committee decision is reached to the award of the particular grant.*

7.5 **Review of Fast track applications** has shown that these are often used inappropriately, either being submitted immediately after the Committee cycle when there is insufficient evidence they are truly 'urgent', e.g. equipment requested has been required for an event often planned weeks or months prior, and the grant awarded without sufficient scrutiny by a number of local Members.

Advice has been sought from local community support and funding agencies, who are clear that groups seeking to arrange an event or project should ensure they meet Committee or other application deadlines, not rely on 'crisis' processes or fast track funding decisions being available as a safety net.

Fast track as it currently exists will therefore not remain an option except in truly exceptional circumstances eg: an organisation has planned an event without seeking Council support and at the last minute one of the funders withdraws putting the community event at risk. The situation will remain under review on an annual basis as part of the grants review process to ensure that any change in the current situation can be addressed.

7.6 As identified earlier in this report, Minor **MoUs** will no longer apply post 2014-15. Major MoUs will be reviewed throughout 2014 with the intention of formalising the process to those organisations the Authority prioritises for funding, and to levels as then agreed under the review.

7.7 Any changes to the Constitution impacting on grants should also be reflected in the Grants Policy.

The Constitution is reviewed regularly and the ongoing work in progress will ensure that the Constitutional delegations as currently exist, are given effect to. This will continue to be monitored on an ongoing basis.

7.8 Where applicable, a Training Briefing on the revised Area Committee Grant procedures should be provided to Members who sit on Area Committees.

This will be arranged to follow adoption of the new policy, especially given the changes to the application process, grants form, clarification of delegations etc.

7.9 The interactive guide to eligibility for grants should be updated to include the process and stages that applications go through to get approved.

The process, now outlined in detail in the revised grants policy will be included in the interactive guide. The process for the award of rural grants, which are considered by the Grants Panel once a year, will be reviewed, agreed by the Chairman of the Panel, and included in the relevant area of the Council's website. NB: as outlined earlier in this report, the rural grants process will only remain in place 'as is' until the end of 2015; in the meantime, their provision, relevance and any amendment to the manner in which they are awarded will be reviewed.

7.10 Consideration should be given to implementing an eligibility ranking matrix for assessment by Area Committees. This will help ensure consistency across all Area Committees.

An explanation of the eligibility ranking matrix should be included in the revised Grants Policy

By the very nature of democracy and decision making, there does need to be a degree of flexibility for Area Committees to respond to local need/requests and thus they should not be unduly restricted in terms of decision making, provided grants best support their local community. Therefore whilst this recommendation was considered, it is not felt appropriate to restrict Members' ability to fund projects which they feel to be valuable to the degree a scoring matrix could. With a reduced Officer capacity, the establishment and maintenance of that matrix, and scoring individual applications could detract from the due process we should follow.

However, it is generally agreed that there should be a greater degree of linking expenditure to local priority as determined in strategic plans, needs assessments and priority areas for attention. A matrix to demonstrate applications which may be best supported is therefore included as Appendix 1 to the Grant Policy (Appendix A), in order that there is a more consistent manner in which to 'benchmark' the grants awarded to some projects across the Area Committees.

7.11 Efforts should be made to improve the e-format filing system on the shared drive to ensure easy access and filing for all Community Development Officers.

This has now been completed.

- 7.12 **Moving forward original paper application forms and signed Memorandums of Understandings should be scanned by administrative staff. This will ensure easy access for staff, security of data and robust audit trails.**

Where possible applicants should be encouraged to make applications online or in e-format to reduce the amount of paper received.

We have moved to electronic forms and submission to remove the need to process hard copy applications; the online process has been trialled and is already in use for applications made from 1 April 2014, although provision will remain to receive hard copy applications and relevant supporting documentation where the applicant is unable to use the on-line process. The same process will be followed at renewal of major MoUs in due course.

- 7.13 As a point of note, whilst all the former documentation and reviews of criteria referred to the authority's process for the award of 'grants and financial assistance' or in other documents 'grant aid', this policy refers only to 'grants' going forward. This will make it easier to demonstrate whether any sums committed by the authority are on a grant or contractual basis, and are managed accordingly

8. SCOPE, PROCESS & DOCUMENTS WITHIN THE REVIEW

- 8.1 Review of *'The Policies and Procedures for Financial Assistance to Voluntary and Community Organisations (November 2002)'* and the subsequent revisions made by Cabinet in July 2005 and a Member panel in February 2009. Including:

- Area Committee Based Grants;
- Minor Area Committee based Memorandum of Understandings;
- Ward Discretionary Grants;
- Fast track Grants.

- 8.2 Full review of Grant documentation. Including:

- Eligibility Criteria;
- Grant Application Forms;
- Area Committee Grant Summary Report Forms;
- Administration;
- Feedback & Evaluation.

9.1 LEGAL IMPLICATIONS

- 9.1 Section 1 of the Localism Act 2011 provides that the Council has power to do anything which it considers likely to promote or improve the economic, social or environmental well-being of its area. This would apply on the basis that financial assistance to voluntary and community organisations improves the economic, social or environmental well-being of the District or part of it.

- 9.2 Section 137 Local Government Act 1972 provides specific authority for the Council to incur expenditure on anything which is in the interests of and will bring direct benefit to its area. This includes a charity or other body operating for public service.

- 9.3 Any recommendation proposing the devolution of grants formally to ward members or individual wards would require appropriate delegations to be put in place in the next review of the Council's Constitution and certainly by the commencement of financial year 2015 to enable such practices to be lawful under the scheme of delegation.

10. FINANCIAL IMPLICATIONS

- 10.1 The proposals made in regard to the regulation of expenditure from Area Committee budgets are to ensure that they are compliant with the requirements of the Council's Financial Regulations and Contract Procurement Rules as applied to such budgets
- 10.2 The Authority makes a significant contribution to the local voluntary and community sector, with £269,100 awarded under Major Memoranda of Understanding, and £167,030 to be awarded by Area Committees in 2014 - 15, this being the last of the graduated 7.1 per cent per annum reduction each year for four years. The £167,030 Area Committee budget is made up of, £121,260 of unallocated Area Committee budget to be awarded for 2014 - 15 and £45,770 are the Minor MOU's that have already been awarded.

11. RISK IMPLICATIONS

- 11.1 There are no relevant risk entries that have been recorded on Covalent, the Council's Performance & Risk system. Individual events should have their own risk assessments in place to mitigate any health and safety issues and these may be reviewed by the Safety Advisory Group..
- 11.2 The proposed Grants Policy and improved controls will ensure that there is clear guidance for applicants and streamlines the application process and allocation of funds. This will result in a consistent transparent approach and fairer treatment for all.

12. EQUALITIES IMPLICATIONS

- 12.1 The Equality Act 2010 came into force on the 1 October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on 5 April 2011. There is a General duty, described in 12.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 12.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.3 The recommendations as proposed by the task and finish group, by the Shared Internal Audit Service and by routine review of the process being applied, have been reviewed in the light of relevant equalities legislation as it applies to Local Government, and to ensure they provide community groups/applicants with the most consistent process of seeking/securing grant funding by the authority.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the content of this report does not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at paragraphs 12.
- 13.2 Following review of the Memorandum of Understanding processes, it will be necessary to consider the social value implications of any which then constitute a public services contract at the time of such award.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no pertinent Human Resource implications associated with any items within this report.

15. APPENDICES

- 15.1 Appendix A - Grants Policy (draft).
- 15.2 Appendix B - Revised grant application form.

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17. BACKGROUND PAPERS

- 17.1 Review of Policies and Procedures for Financial Assistance to Voluntary and Community Organisations, November 2002.
- 17.2 Cabinet July 2005 Report – Review of Policies and Procedures for Financial Assistance to Voluntary and Community Organisations
- 17.3 Member Panel February 2009 – Review of Policies and Procedures for Financial Assistance to Voluntary and Community Organisations
- 17.4 Recommendations of the Overview & Scrutiny Committee Grants Task and Finish Review June 2013.
- 17.5 Recommendations and actions detailed in the SIAS Review of Area Committee Grants October 2013.



NORTH HERTS DISTRICT COUNCIL

GRANTS POLICY (DRAFT)

Revised June 2014
General Principles

North Hertfordshire District Council, in its support to communities, and delivery of its strategic priorities, will give grant awards & support to eligible local community-based, 'not for profit' organisations so as to help them achieve their own objectives, build capacity and sustainability, and contribute positively to the social, economic, and environmental wellbeing of the district. This policy therefore sets out the terms and conditions under which grant applications to the Council are received, accepted, considered, awarded and their effectiveness measured.

This document also establishes a policy framework by which applications will be prioritised, which will be subject to regular review to ensure grant awards reflect the Council's agreed priorities for the district.

The Vision for the District

Making North Hertfordshire a vibrant place to live, work and prosper

The Mission for North Hertfordshire District Council

To work collaboratively with our partners to deliver the vision for the district of North Hertfordshire

Priorities for 2014/15 onwards

- *Promoting sustainable growth*
 - *Working with local communities*
 - *Living within our means*
-

Policy Framework

The Council, its partners, and local voluntary/community groups need to maintain a good balance between looking at those things that can be planned, budgeted for and delivered in the short to medium term and at the same time considering how we address, and respond to, longer term needs. Whilst much of the activity the Council enables through grant funding delivers benefits in the shorter term, we also need to reflect our continuing aspiration to improve the district for the communities who live here and their sustainability in the longer term.

Any grant application will therefore first be considered and scored against the Council's existing 'Priorities for the District' document, and adopted strategic plans for the district, as outlined at Appendix 1 to this policy. These plans are not necessarily all in the 'ownership' of NHDC, but include others to which the authority has committed.

These priority areas must continue to accurately reflect needs, and thus this appendix will be revised periodically to ensure grant awards made align with the identified plans, changing situations, and future needs of the district.

1. Eligibility and funding criteria for all Grant Awards made by NHDC

North Herts District Council is keen to provide financial support to groups who can deliver a wide range of projects in its local communities, and the criteria which will apply to those applications, and how they are dealt with is explained in detail within this policy document – but there are also some areas which North Herts District Council will **not** fund, which are;

- Services for which the Council retains a *regulatory* function/appeal against a regulatory decision, including but not exclusive to;
 - Fees for Planning applications or Building Control
 - Licensing applications
 - Events permissions/ licences
 - Noise nuisance
- Grants toward the rental of NHDC owned/managed properties
- Grants which are contrary to the adopted Council policy for NHDC
- Grants to organisations which are primarily run for commercial benefit, unless that organisation can sufficiently evidence its contribution to the local community and voluntary sector – its commitment to ‘social responsibility’ and degree to which it applies to any given project will be reviewed prior to the acceptance of a grant application
- Applications from precepting authorities (town, parish and community councils) where there is no evidence at the time of application and consideration of the grant of any contribution by said authority toward the project
- Applications where NHDC consider that the planned project is, or was formerly, the responsibility of another statutory body or agency, **except** where a *community organisation may have taken on a service previously run by a statutory body*
- Applications from political groups
- Applications from single faith groups
- Applications from contractors to the authority, which are therefore an extension of that contract, not a grant
- lectrical equipment – i.e. sound systems, laptops, projectors, mobile phones – but please note that we have made arrangements for loan of such equipment from the local Council for Voluntary Service (*this currently remains under discussion*)

2. What we will expect of organisations making applications

Applicants must;

- ensure any application is made before the project or event starts, and meets published deadlines for submission
- hold a bank account in their organisation’s name
- have a Constitution or similar governance document, depending on the structure of the organisation, with details of their management committee/organisational structure or terms of reference
- provide details of company, charity or similar registration numbers as appropriate
- have an ‘open door’ membership policy, and abide by equality of access, with services that are accessible to people from across the local community, irrespective of age, race, gender, ability, faith, sexual orientation, etc

- be able to confirm that they are not already in receipt of a grant for the same scheme from NHDC
- be able to demonstrate financial viability and prepare properly managed accounts
- if applicable, have a fee schedule which is set at such a level as to be affordable to the majority of the general community; applicants must therefore include details of their fee tariff for consideration alongside any application for funding, including any concessions made and eligibility criteria for such concessions
- ensure that any associated venue or club facilities are made available to people wishing to participate
- be able to demonstrate that any grant toward education or training for members or for volunteers/participants is directed toward developing skills, i.e. toward the future effective management of the group, recruitment of volunteers, or preparing volunteers for paid employment
- be able to demonstrate that the beneficiaries of the grant are (in the majority) residents of North Hertfordshire

Evidence of each of the above will be required and form part of the application criteria; it is the applicant's responsibility to ensure that relevant information is provided in full and by the required date, as failure to do so will render an application invalid.

3. Examples of organisations who may apply

The following are examples of not-for-profit*, community based organisations that operate wholly within the North Hertfordshire District who are able to apply for funding, provided they meet the relevant criteria:

Registered Charities
 Bona-fide Community Organisations
 Sports Clubs (only where there is no restriction on membership)
 Youth Groups
 Children's Groups, eg: playgroups
 Elderly Person's Organisations
 Residents Associations
 Tenants Associations
 Faith-based organisations
 Town, Parish and Community Councils

**The use of the term 'not for profit' relates to an organisation with charitable status where it can be evidenced that all profit gained is re-invested into the delivery of its original mission.*

If an organisation is also in receipt of any regular funding from North Herts District Council by way of a 'Memorandum of Understanding' or similar continuing grant agreement, then it will be necessary that the application for an additional 'ad hoc' grant identify the additional benefits the stand alone project will bring.

4. Examples of organisations who may not apply

The Council will **not fund** the following types of groups/organisations:

Private clubs or organisations, (i.e. where there is restricted membership, a membership fee applies **and** the facilities offered are not generally available freely to the public**)

Private individuals (except for grants for certain sporting or artistic activities)

Business Groups/Organisations

Groups who operate at or for a profit

Groups who cannot demonstrate that they are registered as a charity, have a formal management structure, constitution etc to the satisfaction of NHDC

Groups who have previously failed to meet the conditions placed on them by the award of a grant by NHDC

*** The Council accepts that for some organisations a modest membership or subscription charge may be necessary, but will require evidence the level of charges levied at the time of application in order to inform any grant application.*

5. Decision making processes

Grants awarded by Area Committees

There are five Area Committees which cover different geographical areas of the district. The Area Committees are given powers and responsibilities, within the parameters of the policies set by the Council and Cabinet and as set out in their terms of reference, including the ability to consider, comment and report to Cabinet and Council on any matter affecting their area.

The delegations to Area Committees include budgets for the purpose of 'providing grants and discretionary budgets that may be used within the area of the Committee for economic, social and environmental well-being'.

The annual budget, the responsibility of the Head of Policy and Community Services, is approved by Full Council in the February prior to the start of the financial year. Budget that is not expected to be spent before the end of the financial year, irrespective of whether a grant has been awarded, cannot be carried forward into the following financial year unless Cabinet approval has been given. The Council's budget carry forward procedure guide is available for members' guidance.

Delegation of funding to Area Committees is to the committee as a body, not by delegation to individual elected members or wards; this is intended to retain the ability for all grants to be discussed at, and voted on, at each relevant Area Committee by all members of that committee. This enables full discussion to take place with, and for views to be expressed by, the relevant ward members present whilst reducing as best possible risk of 'predetermination'.

Grants awarded by the Parish Challenge Panel

The Parish Challenge Panel, a member group comprising only members from urban wards in North Herts, receives, considers and recommends approval of specific grants to rural areas, including the Environmental Improvement Fund, Parish Playground Fund and Capital grant scheme for rural community halls. This requires the Panel to meet, generally once a year, and consider the applications received, presented by formal report.

Officer recommendations are considered and commented on by the Panel, whose approval of individual schemes is formally recorded in the Minutes of the meeting. The final sign off and payment of these grants is by delegation to the Head of Policy and Community Services in discussion with the Portfolio Holder for Community Engagement and Rural Affairs.

NHDC officers will keep relevant applicants informed regarding timescales for the Parish Challenge Panel to be convened, their recommendations captured and for final payment of any approved grant.

5.1 Additional Financial information/considerations

There are a number of questions which will be applied to requests for funding from area committees, which may include;

Has the group / organisation received any other financial assistance from the Authority?

Grant applications to Area Committees will be accompanied by a sheet showing how many applications the said group has previously submitted in the past five years, how many were successful and the overall total financial benefit gained.

This is not only intended to provide a fuller picture of the group's previous finances, but also an indication of whether they are returning year on year for funding the same project; this may indicate a need to develop better income generation by the group, or seek larger, perhaps more sustainable, funding awards from other external funders. The intention must always be to build capacity, independence and skills in the community/voluntary sector and increasingly to move away from reliance.

The group / organisation must provide full details of all forms of income and expenditure, by way of accounts certified by the Group's treasurer and an independent named person with the accompanying minute of the meeting at which the statement of accounts was approved.

This information will be reviewed by the relevant NHDC officer, and confirmation that income/expenditure information for the previous year has been checked will be signed off on the application form put before members. For any group reporting 'debts' or where balances provided show there may be insufficient funding to meet existing commitments at the time of application, the Council reserves the right to first refer them to the North Herts Centre for Voluntary Service for a 'health and wealth check' advising on the necessary steps to move toward a sustainable operating model and removing debt. This does not preclude such a group from applying to NHDC again at a later date, but is intended to assist groups onto a more stable financial footing for the longer term.

It is not appropriate, nor indeed economic, to provide hard copies of all accounts to accompany a request to the Area Committee, but members will be assured that such evidence does exist should they wish to have sight of it outside, and ahead of, the public meeting at which any grant is to be considered.

Would the group / organisation cease to exist if financial assistance was not granted?

The financial situation of the Authority and many voluntary organisations is changing. Pressures on financial resources means that the Council's support for community and voluntary groups is necessarily more limited. New ways of working to achieve the same or improved outputs from limited resources is paramount. This means that the Authority will continue to identify whether economies of scale might be achieved by working more closely together in partnership, and recognition that not all the groups which previously existed in isolation can continue to do so; some may cease to exist, re-emerge in a different governance structure, or will merge with other similar groups. Such rationalisation can also be seen in the national charities such as Age Concern and Help the Aged, which in recent years merged to form Age UK to reduce management, operational and administrative costs.

So this question is about 'risk management' – would the service and good work of the group continue but in another guise, or is there truly a risk that a group providing a vital service to the local community may fail? If the latter applies, is this the only group able and means by which, to deliver that service? If grant funding is approved, then a question which must be asked is what the exit strategy from that funding may be, again to remove the risk of over-reliance on grant funding in the longer term.

The group / organisation will need to provide details and feedback on how the grant award was expended, detailing and evaluating the outcomes

It is intended that the area committee meeting held nearest the end of the Calendar year, i.e. before Christmas, should include a written review of grants awarded and benefits achieved in the previous calendar year.

Members of area committees may wish to invite beneficiaries along to socialise and feedback informally as part of the public participation element, or indeed prior to the meeting itself commencing, in a less formal arena; this will be at the discretion of the relevant Chairman and Vice Chairman.

For projects which are intended to have a lifetime beyond a single grant award, the application should include details of how the scheme will be funded, and thus continue, following any grant given by NHDC expiring

6. Examples of projects to which North Herts District Council may award grants

- Community Projects & Events
- Children's activities
- Youth activities
- Events and activities reducing isolation for older people
- Environmental improvements & Green initiatives
- Arts activities
- Activities to promote social inclusion & equality
- Heritage related activities
- Sports Development & Events
- Health Initiatives

Groups / organisations will also have to satisfy the particular criteria of the grant fund to which they are applying, as detailed below.

Revenue costs (primarily for short term or project based activities/events):

- Training / workshops which increase skills/capacity/development of group members or their clients/volunteers
- Travel and transport to events
- Publicity and publications
- Activities/events for and in the local community
(but **excluding** salaries, for existing or new staff)

Capital costs:

- Feasibility funding
- Site and Building works (but excluding any statutory fees payable to NHDC e.g planning or building control fees)

7. Summary Grant Award Matrix

The maximum award will be up to the relevant % of the costs up to the maximum cash value shown for each category of grant shown in the table below.

Initiative / Project Seeking a Grant	Maximum value of Award by NHDC	Maximum % NHDC Contribution to overall cost of project	Conditions / Exceptions
Community Events	£1,500	50%	Must show longer term benefits to local community i.e. build future capacity, increase level of participation, range of activities etc
Community Group Start Up	£500	100%	One Off – not for staffing or costs of accommodation – and paid once a basic governance document such as Constitution is in place
Community Projects / Initiatives	£1,500	50%	One application per year – must show widest community participation in planning the event itself and deliver against at least one of the Council's priorities for the district
Workshops	£500	50%	One application per year per organisation and must show that it provides opportunity for development

Speakers	£250	50%	Fees & Transport – must show there is a residual benefit to be gained
Training	£250	75%	Groups must cover at least 25% of the costs
Fundraising & Charity Functions	£250	100%	Must show benefits by reinvestment into the local community
Sports	£1,500	50%	Must be recognised priority or need by Sport England & approval from NH sports advisers
Arts	£1,500	50%	Must be in accord with the district ‘cultural strategy’, advised by NH Cultural Services Manager
Children (under 16s)	£1,500	50%	Groups must cover at least 25% of the costs
Young people (16-24 years)	£1,500	50%	Groups must cover at least 25% of the costs
Older people (over 60 years)	£1,500	50%	Groups must cover at least 25% of the costs
Health initiatives	£1,000	50%	Consultee – NH Health & Wellbeing Partnership – and should align with the agreed priorities of the Hertfordshire Health and Wellbeing Strategy or the local health and wellbeing priorities for North Herts

8. Community Events – up to max £1,500

Support is available towards the organisation of Community Events intended to increase opportunity for, or enable people to participate in, community activities. The maximum award will be 50% of the costs up to a maximum of £1,500.

Grants may be available for publicity, materials, performances, and transport, but not for food, fund raising overheads, trophies, prizes, sound/presentation equipment, or gifts. Applicants must show who will benefit and how people will benefit, either as participants, volunteers or as audiences, and how the event contributes to an on-going programme of leisure related activities.

Any opportunity to widen the benefit should also be explored, i.e. can another community group publicise their activities or promote support to another local group 'free of charge' at the same event? For example, a lunch club for older people may be able to provide an ad hoc opportunity/venue for encouraging good nutrition, armchair exercise etc opportunities or a visit by a home energy or benefits adviser.

9 Community Start-up Grants – up to £500

Start up Grants are one-off payments to new community groups applying for funding for the first time to help with start up costs, for a grant of a maximum of £500.

Groups must first be able to demonstrate that they have adopted a formal constitution and a management committee, and have not previously received grant aid from North Herts District Council.

Groups must provide details of their management committee as soon as they have been finalised. NHDC officers will ensure that effective governance is in place at the time the grant application is submitted for consideration by members.

10 General Community Projects / Initiatives – up to max £1,500

Grants are available for a range of general community projects / initiatives which can be shown to deliver against *at least one* of the district's priorities or actions contained in strategic plans for the district, outlined in appendix 1 of this policy; applications for the maximum award (50% of costs up to a maximum of £1,500) will be required to show that they can deliver against *at least one* area of the criteria.

11 Activities and Workshops – up to max £500

Grant applications to cover workshops may be supported up to 50% of the costs with an upper limit of £500 in any one year. This includes workshop leader wages or fees and materials required. Any application should show the longer term benefits of the workshop, either by way of skills development in the community generally, upskilling existing staff/volunteers, or capacity building for a local community support group (s).

12 Speakers – up to max £250

Up to 50% of visiting speaker costs with a maximum of £250 can be granted toward transport and fees. Any successful application will be required to submit a copy of the expenses incurred following the event.

13 Training – up to max £250

Community groups may apply for support towards the costs of training for individuals who are volunteers, where it can be shown that completion of such a training activity will provide a direct and lasting benefit to the group. The group must be involved in the provision of leisure, social, artistic, play, youth, sporting, well-being or cultural activities. A maximum of £250 per organisation per year will apply, and the organisation must contribute matching funding of at least 25% of the total cost of the training.

14 Fundraising and Charity Grants – up to max £250

Under normal circumstances, the Council will not grant aid fundraising events or make charitable donations to such events

However, under very exceptional circumstances, fundraising events may be considered if the event itself can illustrate that it is a 'Community Event' that will provide a service in itself to the local Community - who may then themselves wish to make a donation to the named cause, eg: a community bonfire night.

Car Boot Sales and similar activities run under the guise of 'charitable fundraising' would not qualify under this criterion. Similarly, if the event is raising funds for an individual or for payment toward accommodation/treatment for a health condition etc., it will not be considered for assistance under any circumstance.

15 Sports Grants – up to max £1,500

Grants are available to assist clubs and groups in developing their sporting infrastructure. Applications are welcome from all sports as defined (and as prioritised/needs identified) by Sport England. Reference should also be made in any application to the relevant strategic documents for sport and leisure, to ensure that funding awards are best matched to the overall aspiration for activities in the district.

Groups looking to set up a new sports club or provision are eligible to apply for a 'start-up' grant if there is no local existing provision or where it is specifically to support an age group not currently catered for. However, as at paragraph 9 – community start up grants – above, any award will only be payable once Constitution/formal governance documentation and management committee are in place.

Groups/clubs can apply for funding to support special one off tournaments or competitions and the purchase of sports equipment. However, the club or organisation must demonstrate that the tournaments or equipment are not part of the clubs annual programme, or general long term maintenance/replacement respectively.

The maximum grant available to Sports Clubs is £1,500 per application. Applicants will usually be expected to contribute at least 50% of the overall project costs themselves. Groups can only apply once in any one financial year.

The Council will **not** contribute to overseas tours or team uniforms. Fundraising events are also ineligible for financial assistance.

The Council may seek the advice of the Sports North Herts or Sport England in the awarding of financial assistance and projects which can evidence they meet the wider needs of the district in regard to increasing physical activity across all age groups in the local population will be prioritised.

16 Arts Development Grants – up to max £1,500

Grants will only be given for project work that can show it is not part of an organisation's normal operations

Grant aided projects should be fully accessible to local residents, although the Council accepts that a small entry or viewing charge may be required on occasion. Any grant application for a chargeable event will be required to include details of that tariff, and any concessions which may apply, for consideration at the same time.

Individual Artists may apply for a grant. However, their project must be non profit making, and NHDC will require evidence that any profit made will be reinvested into opportunities for other local artists. Wages will not be met, although reasonable expenses may be taken into account.

If an organisation is also in receipt of any regular funding from North Herts District Council by way of a 'Memorandum of Understanding' or similar grant agreement, then it will be necessary that the application for an additional 'ad hoc' grant identify the additional benefits the stand alone project will bring.

The maximum grant available is £1,500, and organisations will usually be expected to contribute at least 50% of the overall project costs either themselves or from other sources of grant aid.

Only one grant will normally be given to an organisation in any one financial year, although there may be some flexibility if a parent organisation applies to run a schedule of events during a given period i.e. an arts festival, programme of historical or commemorative events.

17 Children's Development – up to max £1,500

Grant applications from groups working with children (birth to 16 years of age) are welcomed, and consideration will be given on a project by project basis.

All activities must provide equal access to local children irrespective of faith, ethnic origin, social circumstances, sexual orientation and disability. Priority will be given to groups wishing to provide a service in areas where there is significant evidence of need, poverty or to address health needs specific to children (this may include promoting physical activity, healthy food choices, etc and as identified as a need for North Herts in the latest 'Health and Wellbeing Strategy' for Hertfordshire)

The maximum grant available to children's organisations is £1,500 and applicants will be expected to contribute at least 25% of the project costs themselves.

18 Young people (16-24 years) – up to max £1,500

Grants will be available for project work which serves to enhance young people's opportunities to get involved in their localities / community or environmental projects / health and wellbeing projects/democracy and decision making processes/educational experiences/skills.

The Council will be especially keen to receive applications from organisations where there is clear evidence that projects are designed / steered by young people themselves, or where an investment now is intended to better enable young people to take charge of such projects themselves in future – building skills and capacity.

The maximum grant available to youth organisations is £1,500 and applicants will be expected to contribute at least 25% of the project costs themselves.

19 Older People (over 60s) – up to max £1,500

Grants are available to organisations that provide a service for people over the age of 60.

Grants will normally be given for specific project work as opposed to 'running costs'. The maximum grant available to Over 60's Organisations is £1,500 and applicants will be expected to contribute at least 25% of the project costs themselves.

20 General Health and wellbeing – up to max £1,000

Grant applications by groups wishing to promote health and well-being activities will be available on either a start-up or specific project basis

For project work, the Council may fund up to 50% of the costs up to a maximum of £1,000. There would be a limit of one grant per year.

Applications will be expected to target specific groups or communities and be able to help meet the health priorities of the District as set out in the county Health and Wellbeing Strategy, underpinned by district level data from the relevant Joint Strategic Needs Assessment. Further details of the content of both documents can be sought from the council's policy team.

The NH H&WB partnership may be consulted on all health related applications, especially in relation to any partnership funding arrangements. Similarly, any organisation which has received funding for a health project via the NHH&WB partnership or directly from the Herts County Council must declare such receipt on their application form to NHDC.

21 Faith Based Organisations

North Hertfordshire District Council will support organisations that operate in a fully inclusive manner, where there is equal access for people of all faiths and beliefs.

The Council will **not** provide funding via a grant award or other means to any organisation simply for the furtherance of a particular faith or religious practice, e.g.: the refurbishment or re-development of dedicated religious buildings. Similarly, it will not award any funds for an activity that is solely accessible to people of a specific faith.

However, Faith Based Organisations in both urban and rural areas may apply for revenue or capital financial assistance for community based projects that operate on an open access basis for the benefit of the whole community, irrespective of faith/belief. For example, a Church or Temple Group putting on a holiday Play scheme for local children, where there is a separate management committee with its own constitution; the physical improvement of a community centre linked to a Church including the installation of disabled facilities where it can be shown that the centre is open to attendees of all faiths.

22 GENERAL ADMINISTRATION

General responsibility/support

The Community Services team is the central point of access for advice and information regarding financial assistance from the Area Committees, for rural grants, and for a range of grants administered by them for other services of the Council.

All initial enquiries, processing of applications, ensuring alignment with agreed Council and grants policy, data management, monitoring and evaluation are co-ordinated by the Community Services Section, with support from other officers and specialist sections within the Authority and for some grants, external specialist agencies.

23 Application and Approval Process

23.1 Application forms and supportive documentation are available on-line and in a down-loadable format from the Authority's website at http://www.north-herts.gov.uk/index/community_and_living/grants.htm.

23.2 **Applications must be completed and submitted in electronic format only.** This reduces administration, printing and processing costs, (including for the applicant themselves) ensuring that the amount available for grant awards themselves remains as high as possible.

- 23.3 An initial request for financial support is recorded on the Council's Electronic Grants database.
- 23.4 On receipt of a completed application, full details are logged on the database and the application is then sent to the relevant specialist officer for their views/ comments/ knowledge. A minimum four week period is then required to enable relevant officers to check on feasibility of the application, details about the organisation including their constitution, management committee etc evidence of need, cross-referencing other funding sources, eg: NNDR rate relief, and other potential funding bodies.
- 23.5 Details of the application, minus personal banking details which are retained on a separate sheet, are then included (for Area Committee grants) into the "Grant applications and community update" report which is submitted to the relevant Committee, with an officer recommendation on the level of funding, acknowledging any constraints in the agreed Criteria. The Grants database also enables a grant-history of each organisation over the past five years to be downloaded, and indicates whether an organisation is in receipt of Mandatory Rate Relief from NHDC; this information will also be provided to elected members to inform their decision.
- 23.6 NHDC will not seek or include in written form the preferences/views of Ward Members at this acceptance stage, as this statement of support could, ahead of discussion at the relevant committee, put an elected member into a position of 'pre-determination' or having already made a decision. Ward members will be invited to comment on the feasibility and their support of a scheme at the relevant committee.
- 23.7 For other grants, determined by a rural grant panel or other decision making body, the application and information process will be the same, with a formal report offering officer recommendations provided in the same manner as for Area Committees.
- 23.8 All application forms submitted to committee will contain a recommendation from the community services officer, together with any 'conditions' members may wish to add to any successful award.
- 23.9 The report template for Area Committees for 'Grant Applications and Community Update' varies very slightly from the version used for other committees of the authority. Every grant application put before an area committee will be included in the body of the report, grant application form attached as an appendix thereto, together with a recommendation of payment and amount to be paid for each grant. No grant application will be made to committee without an application form.
- 23.10 Members will be asked, following discussion on each grant application to show their support of the application, and whether the amount to be paid is as recommended by the relevant officer. Should members decide to award a differing amount, then the committee clerk will amend the relevant recommendation and minute such decision for the meeting.
- 23.11 This process constitutes a 'decision' on the award of a grant, and thus the application itself and the minute capturing decision to award, and the amount of award, forms an audit trail on which payment of the grant can be authorised. Any grant application which cannot evidence such decision has been made will be rejected for payment.

23.12 Notification to the applicant group of Committee/Officer decision is by offer email, together with a statement of conditions of acceptance, generated by the electronic grants database.

Grants cannot generally be paid retrospectively for work already started

24 Timescales

Submissions of grant applications must be made in sufficient time to meet the deadlines applied to individual grant awards, to enable relevant NHDC officers sufficient time to review information submitted, and prepare paperwork/advice for members' decision making.

For all grant applications made to area committee there will be four deadlines by which all applications and supporting paperwork should be received in order to allow sufficient time for the administration of the paperwork prior to the next area committee; these dates will be published to the Council's website at the start of each civic year.

Any application which is made after the deadline will not be considered at the imminent area committee, but will be held pending the next area committee; similarly, any applications which do meet the deadline, but are incomplete, will be returned to the applicant and will only be considered at such time as it is complete.

The Council will aim to complete the assessment and recommendation on all discretionary applications at the time of the next scheduled meeting, with the exception of Parish Challenge which is subject to the calling together of a decision making panel which may take up to 12 weeks to meet following application.

Grant applicants will be notified of approximate timescales for decision making at the time of their application.

25 Relevant technical officer/service support

If the work of the group making any application or proposing a scheme aligns directly with or is complimentary to a service NHDC provides, it is advisable to seek the views of technical/professional officers within that service.

Community Services officers will therefore share information contained on the grant application with such officers in order that they may provide an opinion in regard to its feasibility, ensure it does not clash with, delay or prevent other planned projects taking place, and that the timescales for delivery fit around work already programmed.

However if the group seeks funding to provide a service NHDC already provides or has previously supplied including through another similar group, that may constitute a 'contractual' rather than grant arrangement, it would be wise to seek NHDC officers advice regarding how to proceed

26 Monitoring and Evaluation

For all awards the relevant Officer will monitor the activity/event/project in a number of ways, eg: personal visit, telephone conversation, depending on the amount of grant awarded and the most appropriate means of communication.

Within one month of the completion of the activity/event, the applicant group is required to submit a self evaluation report and financial breakdown summary.

Applicants are not eligible to receive any other financial support until details of all previous applications have been sent in and recorded. All details are logged onto the Grants database to enable full tracking of the grant award from application through to approval decision to activity / project completion.

Officers monitor and evaluate the awarding process in order to ensure probity, consistency, clarity and that expenditure is in accord with the Council's Financial Regulations and Contract Standing Orders.

Any organisation in receipt of a grant who does not fulfil these terms and conditions may be required to return an award already made and be excluded from applying for or receiving any future grant award.

27 Data Management

The Grants database tracks and records grant awards, and is an invaluable tool when considering new applications against awards made in the past.

A summary financial report on the Area Committee Budget is reported to each Area Committee on a quarterly basis.

An annual report on all Area Committee Grants committed to projects is prepared by the Community Services team and submitted to the relevant area committee to ensure members are informed the benefits a grant award has delivered; similarly, some committees invite applicants to return and tell them at the meeting itself.

All groups making application to the Council for funding are required to sign their acceptance that the general information included in any application may be subject to publication in a report which is publicly available, and which will be subject to discussion in a meeting open to the public, and that only individual bank account details, sort codes etc, will be retained separately for the purpose of payment of any successful award.

All information received by the Council in regard to grant applications is captured, stored, used, retained and destroyed in accordance with relevant Data Protection legislation, and the Council's Data Sharing Protocol.

'Data Transparency'

The Department for Communities and Local Government (DCLG) published its "*Code of Recommended Practice for Local Authorities on Data Transparency*" in December 2013. Elements of the Code have now become mandatory, which includes the publication of grants to the voluntary and community and social enterprise sector. The requirement is that NHDC publish details of each individual item of expenditure that exceeds £500, including grant payments to third party providers and grant aid; the date on which expenditure was incurred, the beneficiary, summary of purpose, amount and category against which it was spent (software, highways works, etc). It is also recommended that Authorities publish this detail for expenditure below £500, which NHDC may choose to do.

Applicants to, and successful recipients of the Council's grants scheme should therefore be aware that any grant award fulfilling this 'transparency criteria' will need to appear on a schedule published to the Council's website at www.north-herts.gov.uk/opendata . That schedule will be updated and published following agreement of grant awards and their payment having been made for each area committee cycle.

28 Public Relations and Promotion

The awarding of financial support to local groups and organisations is an excellent way of demonstrating the Council's support for local community activities and its promotion of general well-being.

All applicant organisations are expected to acknowledge any financial assistance received from the Council in any relevant media coverage, and the financial support recognised in publicity materials provided to participants. The Authority retains the right to use examples of projects completed, including relevant images, in communications it produces for its residents, in order to demonstrate the investments made.

It is proposed that the Council make an annual 'celebration' of the money invested in its local communities and their projects; this will be in the form of an update in the Council's 'Outlook' magazine sent out to residents, and applicants for/recipients of grants should therefore be aware that their project and its benefits may be included in such update, and may include photographs from the event, (with relevant permissions for use where required).

29 Review

The whole management and administration process for grants will be reviewed regularly to allow any improvements and developments to be considered, in response to changing demands on the Authority, changing priorities, changing needs of local communities, and the national grant funding/community support agenda. Such review will also include a review of the priority areas identified at Appendix 1 to this policy.

APPENDIX 1: GRANTS POLICY PRIORITIES

Applications for grants will be checked against the general criteria contained within this policy, and against projects included in strategic plans for the district;

Priority	Activity
Projects which compliment activities already identified in the district's/county's strategic plans	Including, but not solely confined to,; North Herts District Council's current 'Priorities for the District' Hertfordshire Health and Wellbeing Strategy Hertfordshire Public Health Strategy Joint Strategic Needs Assessment (Herts) priority NHDC Green Space Strategy, NHDC Arts Museums and Heritage Strategy NHDC Housing Strategy NHDC Housing or Homelessness Strategy NHDC Community Halls Strategy NHDC Climate Change Policy Adopted Parish or Neighbourhood Plan
In response to outcome of public consultation or survey	The activities proposed have been identified as part of a formal consultation or from existing need identified in the Council's district wide survey, citizens panel, from a community 'user' group or similar
Building future sustainability and capacity in the third sector	Offering increased opportunities for volunteering/work experience Support to explore and develop new structures in the third sector i.e. Community Interest Companies, Mutuels, Social Enterprises to build future sustainability Projects/ initiatives which can be proven to reduce an organisation's operational costs

<p>Addressing priority areas of health need</p>	<p>Providing assistance to those developing or living with dementia Providing assistance to carers of those with dementia Ensuring people can be supported as effectively as possible to remain living independently at home Reducing social isolation Supporting people with mental health difficulties Increasing opportunities for physical activity/use of open space Reducing incidence of self harm</p>
<p>Addressing priority areas of social/support need, including to specific communities</p>	<p>Increasing opportunities for people to participate, in volunteering, delivery of projects and learning skills for future employment</p> <p>Increasing opportunities for people serving in, or who have left, the armed services (Armed Services Covenant)</p>
<p>Enabling and building sustainable communities</p>	<p>Development of neighbourhood plans Feasibility, capacity building and planning for</p> <ul style="list-style-type: none"> • Community right to Bid • Community Right to Challenge <p>Increase participation in democracy Training which provides attendees with accredited qualification Non-accredited training</p>

AREA COMMITTEE/GRANT APPLICATION VOLUNTARY OR COMMUNITY ORGANISATION

Please read the interactive guide before you complete this form

Amount of grant applied for £
ORGANISATION / GROUP DETAILS NHDC REF

1. Name of your group:
 2. Name of main contact: Position held:

STATUS - are you a

Registered charity charity reg no unregistered charity
 Parish Council social ent. /mutual voluntary group
 Private Club * * you must provide details of membership conditions and any charges made for membership please

ACTIVITY / EVENT / PROJECT / SCHEME DETAILS

WHAT YOU ARE SEEKING FUNDING FOR *continue on a separate page if necessary.*

We will base our assessment of your application on the information you provide here.

.....

Who & how many people will benefit?.....

Is this activity open to non-members? Yes/No* At no additional cost? Yes/No*
 When and where will your event / activity / project take place?

Have you got public/products liability insurance in place? Yes/No/To be arranged*

How and where will your event / activity be publicised?

What is the **total cost** of the activity/event you are planning? £

Expenditure:

..... £
 £
 £
 £
 £
 £
Total Exp £.....

Income:

..... £
 £
 £
 £

(List below any other grants already received / applied for or expected income from fund raising events)

Expected income from event: £.....
 Other sources of funding & In Kind support £.....
 £.....

Total Income £.....

TOTAL GRANT REQUESTED FROM NHDC £.....

£

Income in past financial year

Expenditure in past financial year

£

Balances held at previous year end

£

Conditions of Grant

- The Council will not give grants for events/ purchases which have already taken place, or where work on a project has already begun
- Any promotional material and media coverage must include acknowledgement of NHDC having contributed toward a project/event
- Grant monies awarded may only be spent on activities described in the application
- The Council will require details of how the grant was spent, and the provision of receipts, within one month of the completion of the project
- Any unspent funds must be returned to the Council.
- Details supplied later proved to be incorrect may prejudice a subsequent application
- Other terms and conditions as may apply to individual grants can be found in the Council's grants policy

Declaration

I declare on behalf of the organisation that:

- The application is supported by the Organisation's Management Committee
- To the best of my knowledge and belief the information I have given is correct
- Public/products liability insurance will be in place to cover the activity/event/project/scheme
- I understand the conditions on which grant funding is awarded and agree to adhere to those conditions.
- I authorise the Council to make any necessary enquiries to verify the information on this form, and to cross check information I have given with any other sections within the Council or other organisations.
- I understand that additional conditions may be attached to the award of any grant, particularly with respect to any high-value or portable equipment funded by NHDC.
- I understand that in making this application for the award of a grant, the details of event, estimated costs etc contained in this application may be published and released into the public domain to enable consideration at a committee meeting held in public.
- I am content for my contact details to appear on the NHDC website.

SignedPrint Name

Office Held Date

Important:

Your application can only be processed if all the questions are answered, the form is signed and if we receive all necessary enclosures.

Please use the checklist below to ensure that you are sending us everything that is required to process your application.

Please note if all these questions are not answered your application will be returned to you for completion and this will delay the consideration of your application.

APPLICATION CHECKLIST

• All questions above are answered completely

• The form has been signed by either the Chair, Vice Chair, Treasurer or Secretary of your Management Committee

You have enclosed:

• A copy of your constitution, dated and signed as adopted by your group

• A copy of the quotation you have accepted (three if your project's total cost is over £5,000)

• How you have met criteria and brief written evidence to show how this quotation gives best value for money

• A copy of your most recent annual accounts, dated and signed as approved OR,

If you are a new group:

• A statement of your estimated income and expenditure for the year

If you have ticked all these questions, your application is now complete.

Please submit to community.development@north-herts.gov.uk

FOR NHDC USE ONLY

Financial information as provided checked and confirmed

Signed:..... Date:.....

FINANCIAL INFORMATION FOR NHDC USE ONLY & NOT FOR PUBLICATION

Management Committee Details:

Main Contact Name **Position Held**

Home Address.....

Email..... Tel no.....

Chair.....

Home Address.....

Email..... Tel no.....

Secretary.....

Home Address.....

Email..... Tel no.....

Treasurer.....

Home Address.....

Email..... Tel no.....

Please supply the following information to enable us to transfer funds from a successful grant award directly to your account

Bank name.....

Bank sort code.....

Bank account name

Bank account number

Please enclose copies of your:

- a) Constitution
- b) Most recent annual accounts
or for new groups project costings / estimated financial forecast

FOR NHDC USE ONLY

Financial information as provided checked and confirmed

Signed:..... Date:.....