

GRANTS REVIEW 2015/16

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NHDC GRANTS REVIEW 2015/16

I. CONTEXT

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.
2. There have also been a number of 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, and certainly to any changes proposed in regard to decision making, budget provision, and the financial governance of grant awards.
3. In 2013, elements of these Policies & Procedures were subject to an Overview & Scrutiny Task & Finish Group Review, which produced recommendations listed below, and in late Autumn 2013, a Shared Internal Audit Services (SIAS) Review, those recommendations also referred to later.
4. Throughout 2015, the issue of local authority award of grants was subject to considerable national media interest, in part arising from allegations of preferential award by the London Borough of Tower Hamlets to minority communities in the Borough, others from concerns expressed by the National Audit Office around potential mis-use of government funding and public money which could expose authorities to potential challenge.

At the time of preparing this report, the outcome of a Cabinet Office review of local authority grant making is still awaited; the completion of this national review was delayed to enable the progress of the 'Charities (Protection and Social Investment) Act 2016 to assent in Parliament, whose provisions include more protection for vulnerable individuals from aggressive charity 'marketing' as well as greater powers to disqualify charity trustees, or where a charity fails, the ability to pass assets to another charity with similar objectives more easily.

5. It is therefore all the more important that in reviewing our internal systems and means of making awards, we keep an eye on potential consequences and additional 'measures' which may be required by either statute or financial regulation in due course, and how they can be best integrated.
6. 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' or minor amendment are not options officers can recommend to members.
7. There are of course also other options which the review considered such as;
 - a. to cease discretionary grant funding altogether, and simply 'nominate' those charities who should receive funding (by decision of the Cabinet) ahead of or at the start of each financial year.

- b. To make Constitutional changes, and centralise the decision making process for grants to a central grants panel or committee, which would improve consistency of decisions whether to award or not.
 - c. to adopt the County model and allocate a small budget to each Member/Ward for distribution, either alone or alongside the existing area committee grant arrangements or,
8. 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 – or increasingly, supporting groups to seek alternative grant funding - is essential in order to maintain and continue the support to groups and communities across the District.
 9. 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 rightly seeks to provide, and recognition of what it can achieve, through the funding it awards to the local voluntary and community sector.
 10. There are a number of areas of the review which have been adopted as good practice already (some by necessity and recommendation by the Council's Audit Partners, SIAS, were changed immediately), with further improvements listed throughout this report. These are identified at the end of each narrative as a proposal to do X or where appropriate, showing that the activity has now been completed.
 11. The review has been guided by and responds to the Overview and Scrutiny Task and Finish Group on grants adopted in 2013 and from the Shared Internal Audit Service Audit of Area Committee grants 2014; where applicable, reference is made back to the relevant recommendation throughout the document.

RESPONSIBILITIES FOR GRANT PAYMENTS UNDER THE COUNCIL'S CONSTITUTION

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 to be spent in accord with adopted Council policy; the overall Area Committee budget remains the responsibility of the Head of Policy and Community Services

GRANT BUDGETS 2015/16

	<u>Budget</u>	<u>Actuals</u> <u>15/16</u>
Letchworth	47,200	33,300
Hitchin	84,100	39,400
Royston	32,800	28,100
Southern Rural	42,400	28,000
Baldock	39,300	24,300
Total	245,800	153,100

Major Memorandums of Understanding

	Budget	15/16
North Herts Arts Council		11,000
*Baldock Town Centre Partnership		9,100
Citizens Advice Bureau		145,400
**Countryside Management Service		33,300
**Groundwork		15,000
***Herts & Middlesex Wildlife Trust		2,900
***Herts Area Rape Crisis Line		000000
Hitchin British Schools		8,900
North Herts CVS		20,100
North Herts Ethnic Minority Forum		10,500
Relate		4,700
*Royston Town Centre Partnership		10,300
Sports North Herts		5,900
Herts Young Homeless		5,400
St Mungos		7,900
Grand Total		291,000

*town centre partnerships are subject to a phased reduction and cessation of funding agreed in the budget setting process 2010/11 cycle. Royston is now on its last year of funding, Baldock have two years more before funding ceases

**Countryside Management and Groundwork are contracts, so have already passed to the Leisure and Environmental services team for management as contracts

***these grants have ceased either due to the recipient reporting their inability to deliver or because the organisation has ceased to exist in the same format as previously

This total does not include the additional benefit provided to some groups and organisations through;

- use of the Council's assets at a lower than commercial rent and for which NHDC continue to provide routine maintenance and compliance checks under an umbrella contract,
- any award of NNDR rate relief, either mandatory or discretionary, to groups demonstrating a 'charitable' benefit

There are few recipients of Major MoUs for whom all these benefits are likely to tip them over the threshold of 200,000 euros which currently applies to 'State Aid' but it is something for the authority to be bear in mind should any of these benefits change, especially for those receiving the highest level awards and support.

In terms of discretionary grants, it is evident that checking and processing applications, presenting to committee, making payment and monitoring expenditure constitute a significant number of officer hours, and not solely confined to the Community Services section of the authority.

NUMBER OF GRANTS AWARDED AND COMPARATIVE COSTS

It is almost impossible to assess an average 'year' in terms of grant awards, as over a five year period to end of 2015 financial year, there were just short of 1900 small grant awards received, processed and paid. Since moving to four area committee meetings per annum, the number of grant applications has reduced; however, examination of the applications shows that groups are now applying for higher grant awards than previously.

This appears to have come about by the reducing availability of match funding or cessation of other grant streams, although there is also significant evidence of repeated applications from the same organisations, often for an increased sum and without having raised or secured other funding; one must therefore question whether they are increasingly inclined to turn first to the Local Authority based on previous successes.

With any application process there are significant costs to the authority – from working with an applicant to provide evidence, through compiling an application, reviewing compliance with criteria and financial history, and publishing for committee, through payment to completion of project and assessment of benefit.

It can only be estimated that the most simple, small grant application would take around two to four hours total to assemble, review, pay and check expenditure; based on an average hourly rate for an officer at the middle of Grade 8, this would cost approximately £57 in officer time alone. Larger applications could realistically take in the region of 8-10 officer hours total each, when one considers the end to end process from initial discussion, through preparation of reports/financial checks, to payment and expenditure; the cost in officer time, again at the middle of a Grade 8, would be £190.. Applications for capital/building schemes will necessarily take longer and cost more due to the additional hours required for professional advice, ensuring relevant permissions are in place, monitoring any build etc.

This is a significant resource, so the review presented an additional opportunity to streamline this system further whilst retaining sufficient governance and sound financial oversight throughout. We have already moved to an entirely online grant application process, reducing postage and printing costs to both the Council and applicant, but there are other areas and ways we can and should reduce costs further going forward. It is also recommended that any grants awarded should only be in excess of £500, as the cost of administering very much smaller grants becomes disproportionate..

One area which should cease immediately is that of Community Officers helping applicants to complete the grant application form. The onus must be on the applicant to provide the information required, in full, at the time of application; this also then allows officers to be better placed to review the application more critically against the grants criteria and, if necessary, request more information or refuse an application which remains insufficient or incomplete, and at an earlier opportunity.

This review has also offered the opportunity to look at how the authority can better manage demands placed on Community Officers in regard to grant applications. Other organisations and authorities running grant schemes tend to better separate the 'administrative' element of applications from the 'development and delivery' element, which is something the service must seriously consider implementing going forward. Discussions with other services, either administrative or financial, will ensue during 2016 in order to establish the best means of receiving and checking validity of applications from financial year 2017. This should also release greater community officer time to work with groups to develop greater capacity and future sustainability.

There are also professional grant 'finders' who charge for their service, and even the North Herts CVS who support the local community sector apply a 'cap' of three hours funding advice free to members, with additional hours advice charged at around £30 per hour. The fact that the authority currently applies no such 'cap' may therefore be one of the reasons why the Community Team are under increased demand to help with applications and why so many applicants are now turning to us first.

Whilst it may not be a popular move at first, the application of a 'cap' in terms of grant advice by NHDC Community Officers may help drive greater self sufficiency and knowledge in the community, and free up time for more realistic 'development' work in the community. This will form part of a separate review of the function of Community Officers through late 2016 in readiness for implementation from financial year 2017.

Dealing in turn with each recommendation from the O&S Task and Finish Group

Recommendation 1:

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

Area Committees are already required within the terms of the Constitution to award grants which align with agreed Council policy Under the Council's Constitution, Cabinet may exercise by resolution, 'to oversee the Authority's overall policy on the voluntary and community sector'; it is therefore most appropriate for Cabinet in its role overseeing the district's voluntary and community sector to inform the budget policy in regard to grant awards.

The review of awards made by each Area Committee, and as discussed with auditors following the SIAS audit review, demonstrates that whilst there are a large number of grants made to local organisations and events, in around 70% of cases, the applicants were those who had applied to or been awarded funding previously by the authority; moreover, there was not necessarily any clear link made to priorities of the Council, with its partners or addressing an emerging or changing local need.

Going forward, it is recommended that grants made should better deliver the objectives identified within the Council's Corporate Plan plus other high level priorities, informed by adopted strategic plans (including those to be delivered in partnership). This greater focus on priorities should also allow groups to make applications which are complimentary to existing or planned corporate projects - for example, or develop a suitable charity or other model to take on the management of a Council asset or provide an existing service differently or provide additional capacity through greater recruitment and use of volunteers. The principle should remain one of building greater and more sustainable capacity in the local community and voluntary sector rather than funding 'one off' or cyclical events; this also better reflects the national aspirations for community empowerment afforded through the Localism Act 2011.

In addition, there is now a wealth of 'live' and relevant statistical data being collected for partnership plans, such as the Countywide Health and Wellbeing Strategy, the Joint Strategic Needs Assessment, and data from local community/advice agencies working within the district; the nationally collated Indices of Multiple Deprivation published in 2015 reflect the latest position in regard to the district's most deprived areas, and the factors which most contribute to that deprivation.

This change of focus on priorities should also enable the Authority to better reflect changes in Council policy 'year on year', capturing and reflecting changes to government grant funding, income opportunities, corporate business planning investments/efficiencies etc.

It is also anticipated that once the national Cabinet office review of grant making by local authorities is completed, it will be easier to reflect any changes necessary in a document which is reviewed and agreed more regularly.

Proposal: That grant applications better reflect not only the Council's high level priorities, but also contribute to aspirations/targets as expressed in adopted North Hertfordshire District Council Strategies, policies and plans including those developed in partnership, or linked to an identified need for the district evidenced by relevant data

Recommendation 2:

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

The guidance notes incorporated within a revised, and more concise 'NHDC Grant Policy' document have been updated and reviewed to ensure that they, and the new application form, are as easy to understand and use as possible. Officers have also 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 generally supportive of what is proposed here.

Completed

Recommendation 3:

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

The grants application form which informs the Area Committee reports has already been revised and contains significantly more information than previously, whilst still requiring officers to confirm that the application has been checked and is in accord with the Council's grants criteria and overall policy direction.

Proposal: Each application must demonstrate its link to a high level priority for the authority, toward the delivery of an adopted strategy/policy, partnership or recognised need for the district

Recommendation 4:

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.

Area Committees have tended to handle this very differently, 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, others have no such formal mechanism. However, it is also important that any feedback is proportional to the size of grant awarded, and officers have already started to report progress back on some of the committees' larger awards in subsequent Area Committee reports.

Completed

Recommendation 5:

Cabinet (or a relevant Executive Member) 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

This recommendation has now been considered alongside the review of Major MoUs for the authority, and is addressed separately later in this review paper at page 21 since there also need to be quite significant changes to the nature of these payments to conform with latest procurement and contractual regulations.

See reference to Major MoUs proposals on page 21

Recommendation 6:

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.

An initial review was completed, and a number of new arrangements were introduced for the new Civic Year 2014-2015. 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 published 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, including by relevant agenda item at Area Committees. There is also a new 'feedback' template which members are encouraged to use to report back year end performance of the group to NHDC, although to date its use has been limited.

However, the way in which the Council appoints members to external organisations will need to be reviewed again in readiness for civic year 2017/18, and in two regards. A recent SIAS Audit on Community Halls concluded there was a significant risk of members appointed to outside bodies such as Community Associations being in a potential conflict of interest position when, for instance, leases were being negotiated. The other risk surrounds members of smaller area committees where a larger proportion of elected members are also members of outside bodies/local community groups, and thus quoracy of the committee is much harder to maintain when it comes to making recommendations on grants.

Proposal: Nomination of members to outside bodies to be reviewed again by the Corporate Legal Manager/Monitoring Officer from June 2016, ready for 2017 civic year

This links to the SIAS recommendation for nomination to outside bodies to be reviewed arising from the Community Halls Audit 2016.

Recommendation 7:

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 process of approaching every individual Area Committee as previously was time consuming, cost additive to both the applicant and NHDC, and demonstrated inconsistencies where one Committee chose to fund a project yet another did not – but of course in such event, the original proposal as made often remained *for the benefit of the District*.

As a first step, a districtwide pot of £6,100 was created for 2015/16 only, pending implementation of the remainder of the grants review. This sum, based on previous demand, would help determine whether under the existing format this would be sufficient or would exceed district demand. Applications which are for districtwide projects are handled and allocated under existing delegation by the Head of P&CS in discussion with the Executive Member for Community Engagement and Rural Affairs. At the time of writing this review, there were four potential applications for district wide funding in 2015/16 each of which were refused. One was for maintenance of health related equipment whilst others were applications from organisations already in receipt of other NHDC funding (MoU), or for activities which could not sufficiently evidence that they would take place ‘across the district’.

The best way to ensure districtwide funding does indeed deliver for the district, is to award this under MoU or contract, where delivery can be reviewed more formally. There are proposals later in this review in relation to major MoUs which may release a small amount of revenue, which it is proposed should be put forward as an efficiency from financial year 2017/18 onwards

Proposal: That the use of the sum of £20,040 identified within the review of Major MoUs below be put forward as a revenue saving in the Council’s 2017/18 corporate business planning process

Recommendation 8:

Minor MoUs should be reviewed within the scope of the other recommendations made in the Task and Finish Group report.

Minor MoUs were moved into Area Committee budgets a few years ago to ensure they could be considered alongside and in the same manner as other grants made by each Area Committee; until that point there had been some duplication with organisations receiving both Major MoU and grant. There was also lack of transparency throughout the process, since members' views and debate on the awards was never minuted or recorded until 2015, an improvement adopted following the SIAS audit. The minor MoUs in place at the start of review, were:

	£
Letchworth Town Twinning	280
Howard Garden Social Club	4,740
Yvonne Savage Club	290
Letchworth Mind	300
Wednesday Drop in Club	490
Mind Yourself	300
Hitchin Link – twinning	260
Hitchin Senior Citizens	3,400
Apna Duniya	280
Hitchin Festival	1,880
Hitchin Town Centre Initiative	5,270
Soundbase	2,250
Royston Town Twinning	170
Royston Cave	750
Volunteer Bureau	2,750
Community Transport	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	£30,900

There were a number of other issues/risks in regard to the continuing payment of groups under minor MoUs or similar arrangements, including

- There was no rationale for continual funding being awarded to a group, and over many years, when others had to apply to area committees for specific projects. The process does not take any account of financial **need**, ability to raise other/match funding, or monitor expenditure.
- There are organisations already funded under Major MoU by the authority, such as town centre partnerships, where the amount of funding is reducing (or has now ceased) in line with the Council's policy adopted in 2010/11. To continue to top up, or maintain a higher level of town centre funding from the relevant area committee budget through either minor MoU or separate grant applications, is therefore contrary to already agreed Council policy.

- The authority, as all local authorities, is required to demonstrate ‘transparency’ in its decision making, publish details of expenditure on grants awarded to the community and voluntary sector, and general expenditure of £500 or over to ensure the public can better see how their Council Tax is spent. 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 a child/parent support group are required to apply for a grant, whereas in an adjoining ward or other area committee area, the same group are simply awarded what is effectively a ‘rolling grant’ under the minor MoU process.

The relevant recipients of minor MoUs were therefore made aware that 2015/16 was the last year in which the certainty of such funding would exist, and provided that they meet the necessary grants application criteria, they will be required to submit an application each year outlining their plans; this need not necessarily be more time consuming, as applications are made electronically and can be submitted relatively easily. This will also require each group to focus on, and members to consider in any award, the Council’s priorities, assess level of need for any scheme proposed, and ensure the application of the latest grants, budget or other policy.

Completed

Recommendation 9:

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 have been subject to initial review, not only in terms of what they can deliver for the district as a whole, but in comparison with the approach used by other local authorities across Hertfordshire. This is addressed in more detail later in this report.

The practice of committing funding via local Committee level or ‘minor MoUs’ as they were better known has now ceased.

Completed

Recommendation 10:

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

This was completed in April 2013, and will be reviewed using data models of population growth/changes as available at five yearly intervals, and will need to reflect too the changing population densities which will come about through new developments, including any proposed through the District Local Plan.

Completed but to remain under review/update**Recommendations 11 and 12**

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 the next recommendation below).

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 were reviewed for 2015/16 only, requiring greater evidence being required of the relevant precepting authorities' ability to contribute.

The budget remaining is for small rural grants;

- Environmental improvements – revenue grant for additional grass cutting, litter picking etc, £1,000 maximum per application, no match funding required
- Community Buildings Refurbishment Fund – grants of £2k-£4k max revenue scheme requiring 50% match funding
- Playground Fund – revenue scheme £1k-£2.5k with a maximum of 50% match funding

The rural funding 'pot' currently totals approximately £32,900,900 (revenue) for all three schemes per annum.

Review of those applying in a five year period shows a high level of repeat application and funding, many the same parishes year on year; some have even applied for small capital grants and revenue grants in parallel, gaining double funding benefit and not necessarily for the same scheme/purpose. It is increasingly evident that both urban and rural communities find small capital schemes harder to secure match funding for than 'top up' revenue funding for grass cutting and similar.

The Council's budget policy is clear – that NHDC should not be funding precepting authorities, such as parish and town councils who have the ability to raise their precept to fund repairs, improvements and services, and especially for services which the relevant authority would be expected to fund from its precept.

However, a one-off capital fund of £1m, for spending over a four year period **for both urban and rural facilities**, has been made available through the Corporate Business Planning process, and draft criteria will be approved in June 2016. The phasing of expenditure over four years should both help NHDC and applicants in terms of managing their own resources. It is intended that this funding be made available for schemes which increase opportunity, profitability, and flexibility of use, including where applicable through transfer or taking on long term responsibility for assets.

Proposal: The existing rural minor revenue/capital grants scheme has been closed, and the future of the £32,900,900 revenue funding remaining will be considered in the 2017/18 budget round in late 2016

Recommendation 13:

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 would be resource intensive, and could be disproportionate 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 by a schedule showing

- how many grant applications a body has made and how much paid to them, in the past five years;
- reference to other benefits afforded by the Authority, such as mandatory and/or discretionary NNDR (non domestic rate) relief.

Reference to other authorities' processes has also identified that the benefit charitable groups gain from NNDR relief could also be better publicised, with a link to the groups receiving such relief featuring alongside advice on grant schemes on the NHDC website. However, this will need to remain subject to any changes which implementation of the proposed new NNDR scheme may bring into effect.

Proposals;

To refer to additional 'benefits' a group gains from the authority on any grant application submitted

Where applicable, include reference to NNDR relief awarded

Recommendation 14:

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 adopted, 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 in such situations members may agree to award NHDC funding 'in principle' and subject to or on the condition that the awaited external/match funding comes to fruition in due course.

With regard to other local grant funding organisations, such as LGCHF or the Letchworth Civic Trust, officers will be required to check any application made to both bodies to agree whether both provide funding to a single project, or agree complimentary elements they can individually fund for the same project. Similarly, schemes which may also be eligible to apply for other partnership funding, such as through the district Community Safety Partnership or Health and Wellbeing Partnership will be required to list those applications and amounts in any application to an area committee. This would also apply to funding streams such as the London Luton Airport funding scheme.

Any group who are applying to NHDC will also be asked whether they have previously applied for and been turned down other grant making bodies in North Herts, as there is evidence of groups who have been rejected by the community safety partnership, for instance, applying to the next meeting of an area committee; whilst the latter application itself may be valid or improved slightly from the original application, members should have sight of the reasons for rejection by other schemes/funders.

Officers have now also completed the review of funding by other Herts Authorities to enable a comparison be made about the levels and priorities they set, including to organisations which exist in some or all ten of the districts/boroughs. However, with the increased pressure on budgets, and especially revenue budgets, it is evident that a number of Herts authorities are considering reducing grant payments further in their next budget rounds, so more information on comparative levels will be required in late 2016..

There is also further discussion planned with Herts County Council through 2016 to discuss where funding by districts/boroughs and Herts CC Commissioning/Public Health funding 'overlap' and whether such overlap is beneficial or detrimental; there are also indications that they may change the manner in which they commission and monitor spend on schemes such as older peoples' lunch clubs. Whilst any move to bring greater economies of scale in funding are to be welcomed, especially in the current and anticipated spending constraints, there also needs to remain a degree of local 'choice' in regard to each districts' priorities for expenditure and how the use of grants/contracts can help deliver local support.

The Countywide comparison table is attached as an appendix to this report.

Initial review complete but ongoing discussions regarding future provision and priorities

Recommendation15:

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 Officers already work closely on the identification of potential projects for which such 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 remaining s106/UU funds available to the Authority, then it is for the Planning and Development team to confirm the suitability of any scheme/application to fulfil quite rigorous s106/UU funding criteria; the penalty for non-compliance being significant. It is recommended that any available s106/UU funding be referred to and considered at the grant application stage, provided it can be supported by the written confirmation of planning officers that the scheme meets the relevant criteria.

Completed

7	Shared Services Internal Audit (SIAS) review – Area Committee Grants
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	Summary of recommendations
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	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
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	7.1.3 The continued use of Memoranda of Understanding
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Constitutional position:

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 where relevant informed by the SIAS review. 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..

It is apparent that a process of then devolving the responsibility for 'Ward' or 'Member discretionary' budgets has developed through years of local 'custom and practice' in some Area Committees. This has been in existence for a number of years but review of committee reports from 2002 (when the grants policy was first adopted) to present day shows that this arrangement has never formally been adopted under Constitutional, Financial Regulation or any other principles.

Not only is there 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 may then wish to be involved in a formal Committee decision and thus also potentially in a position of conflict;
2. For smaller Committees, there is increased probability of becoming inquorate 'in-meeting', as those Members previously mentioned on a grants form as having 'agreed' funding have already determined and expressed a decision or preference to fund, and thus should declare such interest;
3. Where there is a necessary 'pause' in the 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 gives them a benefit not afforded to members in areas where such informal devolution of budget does not take place (there is also no delegated authority to officers to authorise such payments). Rules on such expenditure must therefore be applied consistently across the whole district and throughout the civic year.
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 too.

BUDGETS AVAILABLE**Overall Annual Budget for support to the local community and voluntary sector
£363,000**

- Comprises area committee and major MoU payments
- Minimum grant payable £500

The Money to be administered in two ways

1. Major MoUs	2016/17	£289,000
Baldock Town Centre Partnership		£9,100
Royston Town Centre Partnership		£6,900
North Herts CVS		£20,100
RELATE		£4,700
Rape Crisis Line		£600
Herts and Middlesex Wildlife Trust		£2,900
Countryside Management Service		£33,300
Citizens Advice Bureau		£145,400
Hitchin British Schools		£8,900
Groundwork		£15,000
Sport North Herts		£5,900
Arts Council for North Herts		£11,000
NH Minority Ethnic Forum		£10,500
Stevenage and NH Womens Resource Centre		£1,400
Herts Young Homeless		£5,400
The Haven		£7,900

**Town Centre partnership funding still appears as a 'commitment' in budget terms, but the efficiencies have already been accounted for previously*

*** Groundwork and CMS have already been agreed as service based contracts for the NHDC leisure and grounds team to manage, so have already been agreed will pass to their budget from April 2016*

2. District Grants pot awarded by area committees	2016/17	£74,000
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CONSIDERATION OF ALTERNATIVE FUNDING OPTIONS**A To cease 'grant' funding altogether**

This could be too extreme an option given the Council's current level of grants awarded (unless of course increased and continued pressure on the Council's corporate budgets dictate that as the only course of action available), particularly as some funding is used to deliver advice and support services to the local community; its complete removal in such instances could adversely impact and create greater demand on NHDC services, and thus prove counter productive.

There are a number of local authorities contacted who maintain they do not provide grant funding, but closer examination of budgets etc, point to payments being made as 'contractual' arrangements with from six to ten local community support groups, much as our major MoUs currently operate. By way of example, Stevenage Borough Council's Executive adopt and publish an annual list of charitable causes (on officer recommendation by report) to which they will contribute that financial year, which include the CAB and CVS. Given that NHDC still retain area committees, this option could not be implemented within the current structure as it would remove the grant determination on budgets currently delegated to area committees.

B To cease to grant fund anything other than awards which continue under a replacement to major MoUs and then only to the most relevant external groups

It would be possible to reduce the number of larger contractual expenditure to a small number of key organisations, those which provide something which if they are not funded would or could fall back to or significantly impact on NHDC's priority areas of demand; these include the likes of the Citizens Advice Bureau, where removing funding and reducing capacity to handle debt management could increase family breakdown, homelessness etc., and thus raise Council liabilities, both financial and other resources, in other areas.

To move **only** to a contracted payment arrangement would remove the ability to make any discretionary grant awards to 'pilot' potential schemes, to respond to changing needs in year, or to provide some contingency say for capacity building or pump priming a new initiative. Payments made through contractual arrangement cost a little more than a standard grant to process, although there would be considerably less of them, and it would release a degree of officer time from that used to check and award grants now.

C To reduce NHDC funding to a level similar to that of other Herts authorities

Examination of other Herts authorities has shown that whilst there are none which have ceased to grant fund completely, some have reduced the amount they provide toward grants per se (as against overall benefit such as discretionary NNDR, accommodation benefits etc) quite significantly in recent years. NHDC has reduced its budgets by almost 48% in the past five years, aligned to the reduction in government grant funding; whilst any cut in funding is unpopular, the decision to phase this reduction over that period has been well received by North Herts recipients. The recent budget setting process supported a further reduction, providing an efficiency of £84,600

There is a brief form showing the comparison with other authorities on page 27 to this report, but it should be stressed that this may not be the latest position as a number of authorities have recently adopted further reductions, or are in the process of adopting new policies in regard to community support.

It is for each authority to agree and set its own level of grant funding for its local community as part of the overall budget setting process, both longer term and annually, but it is equally important to maintain a watchful eye on changes being made in adjoining or other Herts authorities, as some may fund similar projects (is it right to double fund?) or if all were to withdraw funding, would NHDC be the 'last man standing' in financial terms and face reputational issues being the very last to withdraw if/when necessary. It is also helpful to see how other grant schemes have evolved, what has worked and what does not, especially when it is evident major changes are required to our own systems.

A number of authorities provide 'commissioned awards' to districtwide bodies managed by officers (Watford BC for example invested £869k /2014/15) in its local advice, community health improvement etc projects, Dacorum £680k, Hertsmere £411k etc), with a smaller pot of £50k retained for small district projects, awarded by councillors. These sums are subject to further change through budget setting as such funding generally comes from discretionary, revenue accounts.

East Herts favour a 'themed' grant provision; they have 'community grant' awards for events, such as their current £200 maximum award for social events for older people, health and wellbeing community grants (max £1500), up to £500 for environmental projects, and 15 grants for sports excellence (£125-£250) awarded in the last year. There has recently been a small grants scheme awarding £50 toward social opportunities for older people on 'Silver Sunday'. Of particular interest is that each of these grants is only available during a given 'window' each year, which helps those processing the grants plan workload better than NHDC can do with its current system. All applications must also meet one of the Council's priorities so there are clear links to all key strategic documents, including the district Community Safety Plan from the grants website, which is an approach NHDC could adopt quite easily and would better align our payments to agreed activities.

Stevenage Borough Council formerly awarded small community grants, with quite similar criteria to NHDC, but given recent funding constraints have now opted to 'commission' services which best support their most vulnerable communities; these are proposed by officers, agreed by councillors at their Executive. These include Community Associations, groups supporting independence for older people, as well as the CVS and CAB (by exception, only the latter being funded for three year terms). Again, there is good practice in terms of demonstrating the additional 'value' the Council provides to the local community sector through rent in kind and rent free garages, the latter providing free storage to a range of groups. These totalled just short of £200k in 2013/14 and appear on the website alongside information on grant payments.

Broxbourne have a grants panel which considers grant applications which go through bidding 'rounds'. There is a limited window in which to submit 'outline' bids, i.e. for 2016/17 the first round bids needed to be received by noon on 19th October 2015. A small number of Capital grants are available up to £20k, and there are smaller revenue grants toward running costs or one off projects/events. The Grants Panel meet after the closing date to determine those which make it to the second round, at which stage a more detailed application must be completed; the Grants Panel determine those which are to receive funding from early 2016. There is a separate scheme, to apply for NNDR relief, facility subsidies, and notional rent relief which is determined in February each year and must be informed by submission of annual accounts, annual report and AGM minutes.

Three Rivers first direct grant applicants to their funded 'Grants4Three Rivers' (a council fronted and funded grants search database), and subsequently to their grant application process which is toward leisure and community grants, very strictly linked to Council priorities. There are clear deadlines for submission and consideration within the grants policy, thus;

Smaller grants, under £300 are determined by officer decision, with larger grants (generally between £1250 and £3000) voted on by the Leisure Health and Community Safety committee quarterly.

Watford Borough Council have a small grants scheme for up to £2000 per project, with the application window applying from April to February; decision is made by commissioning officers only, and there is a very clear criteria for any applicant to demonstrate why the project or equipment is needed. Anyone receiving funding cannot apply again in the subsequent year, in order to give other groups greatest opportunity for start up or grassroots funding. The scheme has supported around 30-35 projects average per year and applies a requirement on all recipients to provide an end of year assessment on the value the project brought to the Borough.

Again, we must be mindful that this was the position prior to most recent budget setting at each authority, so it is more than likely that additional pressure on budgets may further reduce the sums each authority make available for community sector funding or indeed if they continue to award at all.

D To provide an individual discretionary grant to each councillor

Members will be aware that under the County model each councillor is (now) awarded £5k per annum discretionary budget (separate from the apportioned Highways budget) to spend in their area on appropriate projects. The award is made on the principle of member recommendation informing officer decision, the opposite to how NHDC currently operates.

Assigning an amount to each councillor of, say, £1,500 per annum, would cost the authority £73,500 per annum, just below the £74k currently available to area committees.

However, there are disadvantages in this approach. No decisions or discussion on award of such grants could take place during the pre-election period. Discussion with auditors from the Shared Internal Audit Service about unit costs provided substantial evidence that the cost of administering grants in this manner is significantly higher per capita, as much as 40%, for each grant awarded than through a committee. The County officers responsible for such payments also have a more 'financial' or 'commissioning' than 'community based' officer skillset, so in making any such change we would need to address that and be aware of any additional training or resource implications.

Early indications are that the current discussions at Cabinet Office in regard to grant awards by local authorities and increasing their transparency may recommend changes which will relate more to the award of grants being 'decided' by individual councillors than by a member panel or committee, thus any new arrangements which were supported may be subject to external change quite soon – to what extent remains unclear at this stage.

It is not proposed that NHDC should adopt this discretionary grant model either instead of or alongside its existing grant awards through area committees given the potential adverse impact it may have on officer time available to work within the community and the increased financial management obligations it would place on the authority, especially for what is a discretionary service.

E Move to a single 'grants panel/committee'

This could replace the current Area Committee model under which the Council currently awards local grants; there is potential to reduce administration, clerking and resource costs, and ensure greater consistency in regard to grant decisions across the district (a concern raised under the SIAS review), but the membership of such panel/committee would also need to be of sufficient size to be representative of the district, including both urban/rural areas. This is an option for the authority to consider seriously given the significant officer/financial constraints facing the Council in the next few years, but not currently proposed under this review..

Major Memorandum of Understanding

Since the original Memorandum of Understanding process commenced (having replaced more formal 'Service Level Agreements' (SLAs) which a few authorities still use) new regulations and contract/procurement legislation introduced determine that some such financial arrangements constitute a contractual or commissioning arrangement; in brief, any payment for a scheme which comprise a service which the Council itself (or a contractor on our behalf) could undertake or would provide should generally be contractual. On that basis, it is evident that around 70% of what were originally 'grant funded' organisations should now have a much more formal contractual arrangement in place.

However, the review has also considered the bigger issue of which organisations within the district should receive such a 'commitment' to funding in the longer term. The review of Major MoUs has been informed by comparison with other Herts Districts, Boroughs and County Council to assess where the authority's per capita spend lies in comparison with theirs, a consideration of the potential impact to the organisation being funded/NHDC/local communities were funding withdrawn, and their delivery against local trends/needs/priorities.

Major MoUs currently awarded are as follows;

a) NORTH HERTS CVS £20,100

Given the increased emphasis in legislation such as the Localism Act on community rights, and ensuring those communities who wish to do so can exercise those rights, there is a need to ensure sufficient skills and capacity are developed and maintained within the local community/voluntary sector. There are also a wider range of options than previously in regard to governance models, such as social enterprises, community interest companies, etc., which the NHCVS can develop through working with and individual development of organisations. There can also be potential conflicts of interest for NHDC officers (and increasingly so with the advent of Community Asset Transfer and Right to Bid under the Localism Act) seeking to advise a group who then apply to take over the running of an asset, facility or service from NHDC for example.. NHCVS offer low cost annual membership to groups, which not only enables a quota of in year advice, but also an equipment loan service - including projectors, laptops, etc and it is considered that retaining an external and very experienced but independent advisor of this nature remains important.

More recently, there have been a number of funds made available, including through the Local Enterprise Partnerships, which seek to increase engagement between business and the voluntary community sector in order to develop increased capacity and skill sets, for all sectors.. This may offer a greater opportunity to work with groups such as the NHCVS to draw down additional external funding to build a larger skills base and perhaps 'umbrella management' type structures to fill gaps which exist in the local VCS. This can be explored further during 2016 as part of a wider discussion on general community support, including that provided through the Community Services team.

b) RELATE £4,700

Relate has recently been subject to its own independent review, and has returned a deficit at each of the last three financial year ends; following review the organisation has made structural changes, including the removal of senior management posts, in order to reduce its operational costs. The organisation previously centred its operations in the south of the county, but more recently took the opportunity of a short term, rent free accommodation at Paynes Park Hitchin to provide a North Herts presence; that arrangement comes to an end shortly and it remains uncertain where they will relocate to.

The service itself advocates that those seeking help must be sufficiently committed to resolving their issues and helping to save a relationship, so its potential client group from the general community is restricted by both commitment to resolve and ability to pay a small fee (the group has considered raising the consultation fee to better cover running costs). Whilst the risk of relationships breaking down can also impact demand on housing etc., the fact that the client group using this service is limited by self choice/commitment to the relationship/ability to pay also restricts its overall impact on NHDC. It is proposed that NHDC make the same payment for 2016/17 as presently, but no longer fund from 2017.

c) RAPE CRISIS LINE formerly paid £600

Whilst there remains a small informal support group operating a telephone helpline to direct victims of rape to relevant counselling and advice, the group has no formal structure as previously and have confirmed that whilst grateful for the payments previously, is no longer in need of the grant from NHDC.

d) HERTS AND MIDDLESEX WILDLIFE TRUST formerly paid £2,900

The money awarded supports this group, predominantly staffed by volunteers with a small management group, in the management of 44 nature reserves across Hertfordshire and Middlesex. Of these, 11 nature reserves are located in North Herts, at the following locations;

Ashwell Quarry, Barkway Chalk Pit, Blagrove Common (nr Sandon), Fox Covert (nr Therfield), Hawkins Wood (nr Royston), Hexton Chalk Pit, Hill End Pit (nr Hitchwood), Oughtonhead, Pryors Wood, Purwell Ninesprings, Royston Chalk Pit.

There are also 3337 wildlife sites of 'county significance' in North Herts, which the Trust and their volunteer rangers help to preserve and promote.

At the end of 2015, a meeting of NHDC officers and Herts and Middlesex Wildlife Trust Representatives took place to discuss the HMWT work programme. From discussion it was evident that the Trust would be unable to continue to deliver schemes across North Herts, and it was agreed to cease funding the organisation from the end of the 2016 financial year.

e) COUNTRYSIDE MANAGEMENT SERVICE £33,300

Given the services offered by the Countryside Management Service, and changes proposed by Herts County Council in regard to their future structure etc, this has **already passed to the Grounds Service, NHDC**, to manage as a formal contract from April 2016 and will no longer be classified as a grant but as service expenditure.

f) CITIZENS ADVICE BUREAU £145,400

Comparison with other Herts authorities has demonstrated a continuing desire by the majority of authorities to maintain three yearly funding of CAB advice services, albeit the amounts vary considerably from authority to authority.

For 2014/15, figures were

North Herts	£145,400 – (plus accommodation, NNDRrelief etc)
Broxbourne	£144,000 plus £39k for specialist (housing) court worker
Stevenage	£170,000
East Herts	£129,000 (13/14 figures)
Hertsmere	£215,000
Dacorum	£172,000
Welwyn Hatfield	£80,750
Watford	£243,692
Three Rivers	£297,340
Herts CC	£380,471

Indications and latest figures from the North Herts CAB show that in 2014/15 the bureau handled over 11,000 'contacts' i.e. requests for advice or support, which varied in terms of their complexity or resource requirements; of these well over 4,000 were new contacts.

Reasons for contacting CAB have also changed, with the majority (29%) being in relation to debt, the next highest Benefits (28%), especially applications for the new Personal Independence Payments (PIP). Any significant reduction in award of such funding would have an impact in terms of NHDC direct services, and potential demand for other services, were people for example to fall further into debt and compromise their housing tenure. We are already experiencing a rise in homelessness caused in part by individuals moving from higher cost housing in the Capital, but also inability to retain private landlord tenancies, experiencing domestic abuse and welfare changes; indications are that these factors, plus further changes to the welfare system with the arrival of universal credit etc, will maintain a steady demand for advice services.

There is also evidence to support the fact that requests for assistance have increased from those areas of our district identified as being most deprived or in greatest need, especially wards in Letchworth so it is evident that they are supporting the council well in delivery of its priorities.

It is apparent that continuation of funding is important, with most authorities still continuing a three yearly commitment under SLA or similar arrangement. It is proposed that NHDC continue this level of funding for the foreseeable future, through a more formal contracted arrangement, but keep it under review during the completion of transformation of the CAB service, relocation to their new Letchworth offices etc.

g) HITCHIN BRITISH SCHOOLS MUSEUM £8,900

The original grant payment to HBS was made to reflect the fact that they are custodians of the Jill Grey collection of 37,000 items on behalf of the authority. As this contributes to the overall district museum 'offer', it would appear better managed by the Museum service in discussion with HBS. It should not constitute a rolling grant, but if to be continued paid instead through a contractual arrangement through the Museums Service budgets (the grant budget will be transferred to enable this)

h) GROUNDWORK £15,000

Given the services offered by Groundwork, which contribute directly to the work of the grounds service and green space strategy (thus a contract, not a grant), the budget and contract management **has already passed to the Grounds Service, NHDC** from April 2016 and is no longer classified as grant but as a service expenditure.

i) SPORT NORTH HERTS £5,900

This grant funding has been administered on behalf of the authority over a number of years, and was previously awarded to support individual athletes in the development of their sporting skills; it was also deliberately targeted to sports promoted as needing greater participation (identified by Sport England), to ensure it went to areas of greater 'need'. However, there have been problems in two areas; the general principle of local authority grant funding is that it is to an organisation or general community, not to benefit an individual, and there have been a number of occasions when an athlete has switched from one sport to another, thus receiving more than one grant or 'scholarship'

From 2014, this was changed and the partnership now agree and make grant awards on the Council's behalf which are awarded to sports groups and events only – no longer individual athletes. This has been well received albeit the majority of grants are in the order of £250-£300 only; the application process reflects that these are small grants, it is light touch, determined by members of Sport North Herts which includes NHDC officers, and reports back the outcomes of events etc which are funded. The Sports Partnership are also used as a vehicle for other districtwide and county grant awards advice and support, including through the County Public Health schemes.

The payment for 2016/17 will remain unchanged, but it is proposed that this be reviewed again in late 2016 to address potential changes in sports and public health funding priorities.

j) ARTS COUNCIL FOR NORTH HERTS £11,000

The Arts Council for North Herts was established in the 1960s, and its aims remain unchanged since that time – providing financial support and assistance to local groups and individuals for arts and arts related activities for the benefit of local residents.

The Arts Council website confirms **all funding** now being provided by NHDC, and being used to provide either a small grant, or more usually now, a contribution against loss for events. As the Arts Council is a registered charity, their stated principle is not to support events where any proceeds are intended to go to another charity; however, it has become evident during the course of this review that this is not always applied consistently.

It is not apparent to what degree the availability of this funding increases or maintains opportunity for wider community participation in arts events across the district; the scheme does provide grants to individuals, which the Council itself does not as a matter of policy, and the majority of funding is now used to underwrite events against loss – again, a policy which the Council as a whole does not support.

It is proposed that whilst the grant remains as is for 2016/17, the cultural services team be asked to review the level of payment to be retained in future toward the delivery of service's arts/cultural strategy; funding to then comprise a service level agreement from the service, funded by transfer of the grant budget...

k) NORTH HERTS MINORITY ETHNIC FORUM £10,500

The NH Minority Ethnic Forum have provided support to local minority groups over a number of years, most recently operating from their purpose built centre in Hitchin. The NHMEF has been very successful in having repeatedly secured significant amounts of lottery funding, although on occasions uncertainty about continued funding has caused the Forum to hire temporary specialist project workers. As a result, capacity to deliver a wide range of support and projects across the district is limited, and there remains a focus on work in Hitchin and to a lesser degree in Letchworth, with little evidence of work taking place across the wider district and its communities. The range of organisations and individuals using the service, and types of service offered have expanded in recent years, but there remains less evidence of the services being offered across the whole district. Whilst the NHMEF is undoubtedly a key contributor to community events in Hitchin, including through use of parks for children's activity sessions in holidays, providing debt advice etc., there are a number of other organisations which we fund who also provide such opportunities. It is also a general principle of our grant funding that events are open to all comers, regardless of their ethnicity etc., so specific funding for some events as previously awarded to this organisation could be contrary to that general approach.

Legal advice in regard to the Authority's compliance with the requirements of Equality legislation is that by the very nature of not being able to demonstrate that the forum is truly inclusive of, or more importantly can reach, all minority communities in North Herts, then the Council as funder could be subject to challenge in regard to 'equality of opportunity' by other groups maintaining they also represent 'all' ethnic/minority communities.

It is also the case that funding for minority communities has taken a different direction in recent years with the emphasis not being on projects which deliver events or activities for that community (unless it were to address say a health issue which relates only to individuals from a specific background e.g. sickle cell anaemia) but which focus on supporting integration; schemes which build community cohesion, increase social opportunities across ethnicity, faiths, cultures are therefore increasingly important. This is also the essence of the PREVENT agenda for counter terrorism, which the Council has a statutory duty to deliver.

It is proposed that whilst the payment remains at the current level for 2016/17, this contracted funding cease thereafter and any projects which may be planned which meet the grants criteria come forward instead as individual applications for consideration.

I) STEVENAGE AND NORTH HERTS WOMENS RESOURCE CENTRE £1,400

Whilst this is not the largest grant award, there is also little evidence what benefit this investment brings to women in North Herts, as the vast majority of clients are residents of Stevenage and the centre itself operates from central Stevenage. It is therefore proposed that this funding should cease from 2017/18. Again, the centre would not be prevented from submitting any grant application provided they can meet the criteria and that they demonstrate benefit for North Herts.

CONCLUSION TO MAJOR MOU REVIEW AND PROPOSALS;

- Proposal 1** that all current recipients of Major MoUs continue to receive their current level of funding for financial year 2016/17 only
- Proposal 2** That from financial year 2017, the following organisations are no longer funded through MOU
- The Arts Council for North Herts,
 - Stevenage and NH Womens Resource Centre,
 - British Schools Museum,
 - RELATE,
 - NH Minority Ethnic Forum
- Proposal 3** That the following organisations currently in receipt of MOUs receive the same level of funding, contracted for three years;
- Citizens Advice Bureau North Herts
 - North Hertfordshire Centre for Voluntary Service.
- Proposal 4** That payment to Sport North Herts post 2016/17 remain subject to review
- Proposal 5** That Cabinet receive an annual report from the Executive Member with responsibility for the community sector on the outcomes of the Council's investment into three yearly contracts with the CAB/NHCVS as part of the annual budget review process.

These proposals if adopted in full would deliver (from financial year 2017/18);

Efficiency of £20,040 revenue from cessation of identified Major MoUs

COMPARISON OF NHDC GRANT FUNDING WITH OTHER HERTS AUTHORITIES

2014/15

	Grants	
North Herts	£646,736	NNDR relief £2,644,747 (£170,602 unfunded) and use of Council facilities at less than commercial rent, five yearly review under lease terms
Broxbourne (pop 95700)	£208,150	£27050 NNDR relief, £56052 'facility benefit',
Stevenage (pop 86000)	£306,660	£133,179 rent in kind, £42,147 value placed on 'free' rental of garages (£472 per annum) to local community groups for storage of equipment etc.
East Herts (pop 143,000)	£168,000	
Hertsmere (pop 102,400)	£411,715	
Dacorum (pop 149,700)	£683,750	
Welwyn Hatfield (pop 116,000)	£254,208	Rent policy recently adopted
HCC (pop 1,154,800)	£35,393,682 (inc. contracts/commissioning)	NB: countywide meeting on 30.11.15 to discuss commissioning across the county, any economies of scale, duplication – necessary or to be avoided et
PCC (pop 1,154,800)	£280,432 (2014 only)	
(population figures based on mid-term estimates 2014)		

Review of the websites of these other Herts Authorities has also identified a few more areas of good practice which NHDC could adopt relatively easily. They include;

- Details of other external funders on the same page as information on the Council's grants
- Details of grant 'search' organisations in the county
- A link to the Council's NNDR relief to charities database (appears elsewhere, but can be linked to increase transparency)
- A reference to the estimated 'value' to community/voluntary groups of occupation of Council property at less than commercial rate.