

EXCERPT OF MINUTE OF MEETING OF POLICY AND RESOURCES COMMITTEE HELD ON  
15 JUNE 2004

**VALUE FOR MONEY - GRANTS TO COMMUNITY ORGANISATIONS**

35. Reference having been made to paragraph 30 of the Minute of the meeting of this Committee held on 28 January 2003, there was submitted a report (docketed) dated 9 June 2004 by the Chief Executive (1) advising on the progress of the Value for Money Working Group in relation to grants to community groups and voluntary organisations, and (2) indicating that the work of the Group was complete and individual Departments would now be responsible for implementing the processes and procedures as outlined in the report.

**Decided:**

- (1) that the progress in respect of the Value for Money Working Group, as detailed in the report, be noted;
- (2) that it be noted that the work of the Value for Money Working Group is now complete;
- (3) that the report be referred to the Community Services, Social Work, Housing and Technical Services, Planning and Environment and Education Committees for their consideration, and
- (4) that the contents of the report be otherwise noted.

To: POLICY AND RESOURCES COMMITTEE	Subject: VALUE FOR MONEY – GRANTS TO COMMUNITY ORGANISATIONS
From: CHIEF EXECUTIVE	
Date: 9 June, 2004	Ref: 012/01/SCR CS

## 1.0 Introduction

- 1.1 The purpose of this report is to provide the Committee with a final update on the work of the Value for Money Working Group including the Internal Audit review of compliance with the Accounts Commission/COSLA Code of Guidance on Following the Public Pound.

## 2.0 Background

- 2.1 The Value for Money Working Group was established in April 2002 following the Value for Money Study – Grants to Community Groups and Voluntary Organisations. The Group includes representation from the Chief Executive's, Community Services, Social Work, Administration, Finance, Housing and Property Services, Planning and Environment and Education departments.
- 2.2 The purpose of the Group was to review the findings of the study and to take forward the recommendations. These recommendations are detailed below:
- Consideration be given to reducing timescales involved in awarding grants by delegating responsibility from committee to officers for grants under a certain value;
  - There should be an exchange of information between funds which attract applications from the same organisations and specific reference to other NLC funds in all application forms in order to reduce the incidence of duplication;
  - Present processes be improved to reduce both timescales for applicants and the amount of administration involved before new IT systems are considered;
  - A single source of information and advice on all grants available should be introduced; and
  - Organisations wishing to benefit from 3 year funding arrangements be required to demonstrate the provision of a quality service by surveying users of the service where relevant and basing improvement actions on results.
- 2.3 Additionally the Council's Internal Audit section has undertaken a review of the Council's compliance with the Accounts Commission/ COSLA Code of Guidance on Following the Public Pound. The final report is now complete and there are a number of identified actions which link to the Working Group's remit and these have been considered as part of the group's work.

## 3.0 Progress to Date

- 3.1 The Value for Money Working Group has considered 4 main subject areas:
- Review of grant application forms;
  - Review of grant monitoring systems and procedures within the Council;

- Review of property issues affecting the voluntary sector organisations in Council owned premises; and
- Review of support and supervision arrangements for projects.

All of this work has focused on the annual grants administered by the departments involved and does not include the Community Grants administered by Community Services. A short update on the progress of each is provided below.

### 3.2 Review of Application Processes and Procedures

A new application form was developed for use in the 2004/2005 round of funding bids from voluntary sector organisations to the following departments:

- Community Services - Community Learning and Development Annual Grants;
- Social Work - Section 10 Grants;
- Planning and Environment Annual Grant; and
- Education - Early Years Voluntary Sector Grants.

A copy of the application form and the associated Notes of Guidance is available from the appropriate departments.

- 3.4 The group has also developed and introduced a Funding Agreement for use with all voluntary organisations funded on an ongoing basis together with an assessment framework for that Agreement.
- 3.5 The Internal Audit report indicated that the guidance on Following The Public Pound code will be applied to 'substantial funding relationship' with the Council but that no definition for this relationship had been determined. The group would recommend that the definition of an organisation with whom the Council will enter into a Funding Agreement will be:
- Organisations receiving funding of £10,000 annually over three years or more; and
  - Organisations receiving less than £10,000 but sustaining a service.
- 3.6 As part of the review of application processes, it was envisaged that a comprehensive database could be developed to identify all funding applications submitted to the Council. Further investigation highlighted that this would be an expensive operation. Additionally it was agreed that it would be inappropriate to introduce this until the grant processes had been finalised and implemented. However, the group would recommend that this is a matter which may wish to be reconsidered at a later date.
- 3.7 In place of this and in order to avoid duplication and to co-ordinate funding awards, all of the applications received are logged and details passed between departments. Where an organisation is supported from two or more funding sources a lead department is identified. This department is responsible for co-ordinating the release of funding, the funding agreement, assessment process and monitoring and evaluation.
- 3.8 One of the recommendations from the audit report was a review of the levels of delegated authority within each department in respect of each funding source. Each funding source has been considered in this respect but due both to the number and nature of these sources, it has been recommended that each Service Committee consider the content of the report and look at reviewing their own systems as appropriate.
- 3.9 As part of the work of the group and as a result of the direct involvement of an accountant from the Council in assessing SIP projects, a comprehensive revised set of conditions has been compiled covering all aspects of funding support. In line with the recommendations from the Internal Audit report on Following the Public Pound, they include conditions on asset management and access for council and external audit personnel. A copy of the conditions is available on request from the Chief Executive's Office.
- ### 3.10 Supervision and Support Arrangements
- In relation to the monitoring and evaluation process itself, following extensive discussions the group has agreed a description of the role of a link officer and monitoring officer. It is

envisaged that, generally speaking, projects in receipt of funding of £10,000 and above will have a designated monitoring officer and projects receiving between £2,000 and £10,000 will have a link officer. The role of Council staff will be to ensure that funding is spent appropriately as set out in the conditions of grant or funding agreement, which has been accepted by or agreed with the grant recipient. In support of this role, the Social Work and Community Services, Education and Planning and Environment departments have identified staff who perform this role and delivered an initial training programme to 75 of them over three sessions during February and March 2004.

### 3.11 Property Issues

With reference to the review of property issues, this has been discussed extensively by the group. A report has been prepared for the Policy and Resources Committee (Property) Sub-Committee outlining a number of options and suggesting a way forward.

## 4.0 **Conclusion**

4.1 This report draws to a close the work of the Value for Money Working Group. The individual departments will now be responsible for implementing the processes and procedures as outlined within this report.

## 5.0 **Recommendations**

5.1 It is recommended that the Committee:

- (i) note the progress in respect of the Value for Money Working Group detailed above;
- (ii) note that the work of the Value for Money Working Group is now completed;
- (iii) remit this report to the Community Services, Social Work, Housing and Property Services, Planning and Environment and Education Committees for their information; and
- (iv) otherwise note the contents of this report.



**Chief Executive**

8<sup>th</sup> June 2004