



## **PORTFOLIO HOLDER DECISION NOTICE**

### **INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR COMMUNITIES AND TRANSPORT**

### **TOPIC – REVISED CRITERIA: CORE GRANTS AND PARTNER ORGANISATIONS (GENERAL FUND)**

### **PROCEDURAL INFORMATION**

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Chief Operating Officer, the Chief Executive and the Chief Finance Officer are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

### **Contact Officers:**

**Case Officer:** Eloise Appleby, Assistant Director (Economy and Communities), tel 01962 848 181, email [eappleby@winchester.gov.uk](mailto:eappleby@winchester.gov.uk)

**Democratic Services Officer:** Nancy Graham, Tel: 01962 848 235, [ngraham@winchester.gov.uk](mailto:ngraham@winchester.gov.uk)

### **SUMMARY**

- Each year, the Council awards around £643k through grants allocations from the General Fund.
- Of this total, the largest proportion provides core funding for charities in the Winchester District. In 2014/15 this came to a total of £477k.
- Core funding is a contribution to running costs or overheads, such as salaried staff, rent, maintenance, utilities, administration, etc. Core funding is increasingly rare, with many funding bodies providing grants for projects, few of which allow full cost recovery. Consequently, the City Council's core funding programme is very important. In addition, it is considered to be an indication of confidence in the organisation which can in turn encourage other funding bodies to make grants more readily.
- The core grants decision-making cycle takes place between the invitation of applications in late October and the formal adoption of the Council budget in

February. Officers have been reviewing the evaluation criteria for core grants in preparation for this, to ensure alignment with the latest version of the Community Strategy and effective use of Council funds.

- For the first time, officers propose to publish formal evaluation criteria for core grants at the start of the cycle. This will increase the transparency of the core funding process, in line with similar improvements made to one-off grant funding during the last two years. The proposed criteria are set out at Appendix 1 for Member approval.
- The reasons for moving to a scoring system are:
  - a) transparency: the Council will be able to determine which bids best meet the criteria. (It is not intended to publish the scores with the grants decisions, but scores will be used to provide feedback to applicants.);
  - b) improving the quality of grant applications: this is a longstanding issue for the evaluation panel;
  - c) identification of partner organisations: the scores will indicate those organisations most suited to designation as Partner Organisations over the coming three years (see paragraph below);
  - d) to provide a sound evidence base on which to rework the historical core grants allocations, should the panel decide that this is what is in the best interests of the Council and the organisations.
- As part of the core grants process, a number of voluntary and community organisations are traditionally identified as official 'Partner Organisations'. These are intended to have a special relationship with the Council, with a three year commitment to funding, recognising their potential to make significant impact in delivering positive outcomes for local people. Although there is more that can be done to develop this special relationship on both sides, the status is considered important by voluntary organisations.
- 2014/15 is the last year of the current Partner Organisation commitments. Officers have therefore also been reviewing the designation of Partner Organisation and proposals are set out at Appendix 2 for Member approval.
- Winchester Town Forum also contributes to core grants, but its Members have been keen for some years to determine their allocations outside the General Fund core grants process. In order to retain some flexibility as the new system is introduced for the General Fund, the Town Forum allocations will be recommended by its Informal Grants Panel for the year ahead.
- Core funding supports a range of organisations which provide support, new opportunities and wellbeing to thousands of residents of the Winchester District each year. As such, the grants programme directly supports all three community outcomes in the Council's Community Strategy (Active Communities, High Quality Environment and Economic Prosperity).

## **DECISION**

- a) That the criteria for evaluating core funding applications from 2015/16 set out in Appendix 1 be approved, subject to any minor amendments to be made by the Assistant Director (Economy and Communities) in consultation with the Portfolio Holder for Communities and Transport;
- b) That the criteria for Partner Organisations set out in Appendix 2 be approved, subject to any minor amendments to be made by the Assistant Director (Economy and Communities) in consultation with the Portfolio Holder for Communities and Transport.

## **RESOURCE IMPLICATIONS**

The application of the criteria will determine the number and nature of core grants awarded in 2015/16, with a potential value of nearly £650k from the General Fund (subject to other pressures in the year ahead).

The intention of identifying new Partner Organisations for the coming three financial years brings with it a commitment to provide core funding for those organisations, but not an intention of fixing levels of grant during the period.

Whilst previous Partner Organisations have requested that the Council consider fixing its core funding contributions for three years at a time, this is something that would require more detailed consideration by Members, set in the context of other budgetary pressures over the medium term.

Winchester Town Forum also contributes to core grants in recognition of the large proportion of service users of some organisations that come from the Town area. However, the Forum wishes to make decisions about core funding independently of the General Fund from 2015/16. These proposals relate only to General Fund awards, consequently.

## **REASON FOR THE DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

The Council has a duty to demonstrate transparency in its decision-making processes. Applicants for grants will, for the first time, be able to bid for core funding with a clear understanding of how the bid will be evaluated and what the Council expects of funded organisations.

The publishing of evaluation criteria brings the core grants into line with other commissioning processes.

No alternative options have been considered, although officers have considered the approach of other funding bodies such as the Big Lottery Fund and Hampshire County Council in drawing up the criteria.

**FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE**

A Member question was raised as to whether the criteria allowed consideration of the level of free reserves held by the applicant organisation. It was felt that this consideration could indeed be made adequately as part of the assessment of financial information, which includes reserves, cashflow forecast, management accounts, budget and balance sheet. The score given under this new system should allow the Evaluation Panel to distinguish between organisations that really need the Council's help and those that could manage without.

However, the Panel might not wish automatically to exclude an organisation with free reserves as it might be in a good position to work with the Council in delivering the community strategy priorities precisely because they are so secure financially. Or it might have other challenges in the three year period ahead which would quickly reduce the level of reserves.

No changes are therefore proposed to the evaluation criteria set out at Appendix 1.

**DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

n/a

**DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

n/a

**Approved by: (signature)**

**Date of Decision: 22.10.14**

**Councillor Mike Southgate– Portfolio Holder for Communities and Transport**

**Appendix 1: Proposed Core Funding Evaluation Criteria**

<b>Criteria</b>	<b>Evidence</b>	<b>Max score (120)</b>
Capacity for and evidence of commitment to delivery of a range of Community Strategy priorities	Application form	30
Evidence of need associated with financial responsibility for buildings and maintenance costs	Financial documentation	15
Evidence of sound financial management (appropriate to size and nature of organisation)  (NB: this criteria to move to a 'pass/fail' eligibility criteria by 2016/17)	Financial documentation required by grant application	15
Support for a wide range of beneficiaries across the Winchester District	Application form  Service user statistics  Website	20
Future resilience (including commitment to diversifying funding sources)	Financial documentation  Plans for year ahead	15
Evidence of working with other voluntary organisations to reduce overheads and improve services to local people	Application form  SLA monitoring report (where applicable)  Referees  Website	10
Evidence of success in delivering planned business objectives (including SLA commitments, where applicable) over the past year	Annual report  SLA monitoring report (where applicable)  Application form  Referees	15

Scoring:

The scores will be jointly agreed by the evaluation panel and will take into account the documentation submitted as part of the core funding process.

Where organisations are invited to make presentations to the panel, they will be for the purpose of clarifying areas of the application about which the evaluation panel has questions or to present missing information etc before the score for that organisation can be finalised.

Organisations who are highest scorers and are being considered for final designation as Partner Organisations may also be called to make a presentation to assess options for mutual collaboration as part of the service level agreement.

There is no 'second stage' scoring.

#### Exclusions:

Subject to the views of the evaluation panel, ineligibility for core funding could arise from:

- A score of fewer than half marks on 'sound financial management' (with the aim of making this a straight pass/fail criteria within three years)
- A constitution/Articles which show that the organisation is set up to serve a wider population than the Winchester District (e.g. Hampshire, the Solent sub region), unless they are applying for a specific service to operate within and for the District (e.g. Citizens Advice Bureau);
- Organisations that fail to produce policies which evidence statutory duties (e.g. safeguarding, equalities, health and safety) as part of the application process or at any time subsequently when they are requested by the Council;

The panel will take into account mitigating circumstances, and may consider one of the following measures rather than outright exclusion:

- a) a request for the missing evidence to be supplied within a given period (normally 2 working days); or
- b) a requirement to improve within the grants cycle and prior to the final decision of Cabinet; or
- c) a decision to allocate funding but with a requirement in the Grant Agreement for the organisation to improve within a mutually agreed period.

#### Eligibility:

The evaluation criteria above are for the scoring of funding applications and determining of recommended allocations. They do not replace the general eligibility criteria already published with application forms. See

[www.winchester.gov.uk/community/grants/core-funding/](http://www.winchester.gov.uk/community/grants/core-funding/)

An application from an organisation that is not eligible to apply for funding will be eliminated automatically and not taken forward to the evaluation panel for scoring.

## Appendix 2: Partner Organisation Designation

### a) Objectives

- i) to build and maintain relationships with key not-for-profit organisations in the Winchester District, which lead to delivery of both:
  - a) the priority themes of the Winchester District Community Strategy, and
  - b) the business objectives of the funded organisation
- ii) to increase the financial stability for Partner Organisations by providing a three year commitment to core funding;
- iii) to affirm the Council's confidence in a way that will enhance the success of other external funding bids by the organisation;
- iv) to reduce paperwork/bureaucracy for Council and applicants, by encouraging a longer term approach to decision-making on core funding.

### b) Proposed Criteria

Rather than introduce separate criteria for Partner Organisations – as has happened in previous years - it is proposed that all core funding applications be scored using the same criteria. Partner Organisations will simply be those that score highest overall.

Recommendations as to which organisations receive the designation will be made by the Core Grants Evaluation Panel, and will depend on the scores, the overall quality of the applications and the final size of the core grants budget.

There is no fixed number or proportion proposed, but the recommendations of the Evaluation Panel will be ratified by Cabinet as part of the annual grants paper considered by its January meeting.

The proposed criteria are as set out at Appendix 1:

#### Exclusions:

In addition to the general exclusions set out at Appendix 1, and subject to the views of the evaluation panel:

- a score of fewer than half marks on any two categories can exclude the organisation from becoming a Partner Organisation.
- an organisation that benefits only service users in one area of the District (Winchester Town or a single parish, for example) will not be eligible to become a Partner Organisation.

### c) Corporate Support

In order to build on its investment in the Partner Organisations, it is proposed that teams from across the Council are encouraged to develop active relationships relevant to their areas of work.

This could be:

- Individuals offering their three days a year of volunteering leave to support one or more of the Partner Organisations;
- Teams such as the apprentices, CMS cohort or Aspire 'graduates', undertaking projects that will directly benefit one or more of the Partner Organisations;
- Invitations to Partner Organisations to take up free or low cost training/development opportunities within the Council – eg corporate training for IT, communications, lone working;
- Invitations to Partner Organisations to take promotional stands at relevant Council-run events, and/or to deliver local events in partnership;
- Invitations to Partner Organisations to become involved in interviews, evaluation panels and other decision-making processes relevant to their area of expertise.

The list is intended to be indicative only. A full menu will be drawn up and published on the Council's web pages after further consultation with officers, Members and current Partner Organisations.