

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE - 13 JUNE 2002

LOCAL COMMITTEE GRANTS SCHEME

Report by the Depute Chief Executive/Director of Corporate Resources

1. PURPOSE OF REPORT

- 1.1** To inform the Committee of some recent developments in the Local Committee grants process and to seek approval of further proposals to increase the capacity of the community and voluntary sector in accessing other funding opportunities and approval of some amendments to the grant administration process itself.

2. BACKGROUND

- 2.1** The Local Committee Community Grants Scheme is subject to continuous review. A revised Council's grant application form and improved guide to grants was introduced in February 2002 to assist local community and voluntary groups (copies of both the application form and guidance note have been placed in the Members' Information Point).
- 2.2** Community Representatives have had the opportunity to participate in the development of the new form/guidance note and it is intended to further review the form/guidance note after an operational period and also to involve Community Representatives accordingly.
- 2.3** A new assessment form/Committee report has recently been introduced in response to views expressed by Local Committees with regards to the information requested when considering grant applications. Again the new assessment form will be reviewed after an operational period when the views of Local Committees will be invited.

3. BEST VALUE AND EXTERNAL FUNDING IN THE COUNCIL'S GRANT SCHEME

- 3.1** The external funding network officer group considers ways in which the Council corporately can maximise the gains in external funding available to East Ayrshire. The Local Community Grants Scheme has been identified as an ideal contact point for the Council in both, highlighting relevant and similar sources of funding, but also in assisting local groups to build their capacity to draw-down more substantial sums to assist in the development of their objectives.
- 3.2** Whereas it is recognised that some local groups have no aspiration to step outside of their normal programming requirements as funded by the Local Community Grants Scheme, and whose core running costs per se would in

themselves not be eligible for external funding, there are clear opportunities for others.

3.3 It is suggested that the routes to higher gains in external funding for local voluntary/community grants and East Ayrshire Council start with building the capacity and effectiveness of the voluntary/community groups themselves from an early age. It is suggested that the proposals detailed below will generally ease the route to external funding for local voluntary/community groups and will hopefully maximise their opportunities.

3.4 The suggestions in this section link closely to the proposals of the external funding network officer group and in particular to the publication of the document "Trusts and Funds - A Guide to Applying Successfully" produced by East Ayrshire Council, the Coalfield Area Social Inclusion Partnership and the Council of Voluntary Organisations (East Ayrshire) in August 2001. The guide is available to all community/voluntary groups and offers constitution, financial management and general advice aimed at bolstering and enhancing applicants and their applications, supplemented by funding clinics and workshops.

3.5 Recommendations

(A) CONSTITUTIONS

External funders seek clarity of charitable aims, management structure, membership role, accounting and dissolution procedures through the adopted constitution of an organisation. These guidelines ensure that organisations are democratic, non-profit making and carry out altruistic activities that benefit individuals and communities. There are clear and specific guidelines on the minimum expected wording that is expected of an organisation's constitution. These requirements do not infringe on the need for local individualism and tradition. Without these, applications to external funders will fail and it is therefore suggested that:-

- from 1 January 2003, the Council accepts applications for its grants scheme only from organisations whose constitutions meet the required standards;
- prior to that date, all groups who have obtained grant funding, are advised on what changes are necessary, and are given assistance to achieve the required standards, this will include the provision of a model/template Constitution; and
- training is given to Officers who liaise with Community Groups to identify missing elements in constitutions and offer relevant advice which can rectify their constitution.

(B) FINANCIAL ACCOUNTING

External funders seek financial accounting that is accurate and transparent. When awarding a grant, an assessment of the Group's present and past accounting procedures features highly as part of the overall assessment process. It is suggested that:-

- in addition to the group's accounting of the community grant awarded by the Council, that a view is also taken of the group's general financial stability, and in particular that a check is made between previous applications to ensure (i) a general stability of growth; and (ii) a clear carry-forward of year-end balances to start of year balances between financial years;
- training is given to Officers who liaise with Community Groups to identify potential issues of financial management;
- clear requirements regarding signatories to bank accounts, policies on volunteer expenses and retention of records, are made and that accounts are signed by Office Bearers confirming their acceptance before the members of the organisation at an Annual General Meeting; and
- training in financial aspects will be given to relevant Officers dealing with voluntary/community groups.

(C) INCREASING KNOWLEDGE OF FUNDING OPPORTUNITIES

The Community Grants Scheme, remains one of the Council's key opportunities to inform aspiring voluntary/community groups of funding sources which they may have either have no knowledge of or do not feel competent to apply to. This opportunity should continue to be promoted accordingly. It is suggested that:-

- training is given to staff who liaise with voluntary/community groups in order that they may identify appropriate sources of funding from both Council and external sources as part of the Community Grant assessment process.

4. OTHER LOCAL COMMITTEE GRANT ISSUES

4.1 Cross-Boundary Grants

- 4.1.1** The Committee will recall that the Council established in June 1998 a Chair's Advisory Group on Cross-Boundary Grants involving the Chairs of the appropriate Local Committees with opposition representation to consider reports from Officers in respect of cross-boundary grants prior to submission to Local Committees. The Advisory Group meets on an ad-hoc basis to review problematic cross-boundary applications and provides a forum for informal discussion on the range of information that would be required from

Officers in preparation of reports to Local Committees to assist Local Committees in their decision making. The Advisory Committee has no powers to make decisions on applications or submit reports on applications direct to Local Committees.

- 4.1.2** A concern has been raised by the Advisory Group in respect of cross-boundary grants. The concern relates to where there may be only one or two Members from a particular organisation benefiting from a grant and therefore the amount of grant requested from a particular Local Committee could be less than £50.00, which the Advisory Committee considers is not an efficient use of resources and have asked Officers to consider how best to deal with such applications.

Recommendation

That it be remitted to the Administration Manager to deal with such grants in the normal processing of applications in accordance with the following formula:-

that if the total share of a grant for a particular Local Committee is 5% or less of the total grant applied for, then that Local Committee's share be disbursed equally among the remaining qualifying Local Committees.

4.2 Religious Condition

- 4.2.1** The Council has adopted key values of quality, equality, access and partnership and the Local Committee Grants Scheme Conditions of Grant are applied to ensure in terms of grant funding that these values are adhered to.
- 4.2.2** No condition presently exists to give guidance to Officers with regard to applications from religious groups. Other national/major funders have a policy on applications from religious groups. Awards for All "will not fund activities promoting religious beliefs". The Coalfields Regeneration Trust "will not fund projects which are exclusively or primarily intended to promote religious or political beliefs". The Community Fund have taken a similar position as that suggested for this Committee's consideration as detailed in the recommendation below.
- 4.2.3** In order to have a uniformed approach, it is suggested that consideration should be given to the undernoted recommendation.

Recommendation

As part of the recent review of the grants form, it is recommended that the undernoted condition be introduced to the Council's Condition of Grants for Voluntary Organisations.

Religious Organisations and Projects

The Council welcomes applications from religious organisations that want to carry out work in the community, but the Council does not normally fund projects:-

- that are designed primarily to promote religion itself; or
- where people must take part in religious services in order to benefit.

4.3 Gifts of Cash or Cash Equivalent

4.3.1 A question has been raised on a number of occasions whether it is acceptable that Local Committees give grants to voluntary/community groups to provide gifts of cash or cash equivalent. Assessment practice is varied in respect of such applications. Some Assessing Departments have been recommending that where the grants for gifts or cash equivalent forms part of a larger grant then the gifts of cash or cash equivalent is not recommended for approval. However, there are examples where grants have been given to organisations whose sole purpose is to give a cash equivalent to individuals.

Clarification is also required where groups who have applied for funding to provide for example a Christmas meal to their members, but would also wish to purchase gift vouchers for those members who were unable to attend the meal.

Recommendation

In order to assist the effective assessment of applications, it is recommended that as part of the recent grants review, the Guide to Grant should be amended to state that “grants for gratuity or cash gifts will not normally be given”. Such an amendment will allow applications to be made for the provision of meals/gift vouchers etc but will not permit the awarding of money/gratuities.

5. LEGAL/FINANCIAL IMPLICATIONS

5.1 None arising from this report.

6. POLICY IMPLICATIONS

6.1 The present conditions of grant and the guidelines for applicants clearly indicate that funding should assist in promoting the Council’s vision and corporate strategies and policies.

6.2 The local community grants scheme continues to be a successful means of resourcing many voluntary/community groups in East Ayrshire thereby assisting to realise the Council’s vision and promote its strategies.

6.3 The principle of maximising external funding is consistent with the general approach of the Council to ensure strategic and effective use of its resources in consideration of other available funding opportunities.

7. RECOMMENDATIONS

7.1 To approve the recommendations as detailed in Paragraphs 3 and 4 above.

7.2 To remit to the Depute Chief Executive/Director of Corporate Resources, authority to introduce revised administrative and assessment arrangements for the processing of local community grants which will provide for greater opportunity for local voluntary/community groups to access external funding.

7.3 Otherwise, to note this report.

Fiona Lees
Depute Chief Executive/Director of Corporate Resources

28 May 2002

BW/SR

LIST OF BACKGROUND PAPERS

NIL

Any person wishing further information on this report should contact Bill Walkinshaw, Administration Manager on telephone number (01563) 576135.

Implementation Officer: Bill Walkinshaw, Administration Manager.

AGENDA