

Report to: Neighbourhood Forum Task Group
Date of meeting: 7 September 2016
Report of: Committee and Scrutiny Support Officer
Title: Comparisons with other local authorities' funding schemes

1.0 **Summary**

- 1.1 At the meeting of the task group on 19 July 2016, it was agreed that officers would undertake a review to compare Watford's neighbourhood forum funding scheme with similar schemes in other local authorities.
- 1.2 A piece of research has been undertaken following the meeting. Information has been collected from approximately 25 councils including district councils, county councils, London Boroughs, other Hertfordshire authorities and other Mayoral authorities. The information was gathered from websites and direct contact with officers. The findings are set out in full in Appendix A.
- 1.3 In addition, the Small Grants team at Watford Borough Council have provided the Guidance Notes for the Small Grants Fund April 2016 - March 2017. This document is available at Appendix B.
- 1.4 This report summarises the emerging themes from the research and the Small Grants Fund provided by Watford Borough Council. It focuses on the criteria for funding, how other councils ensure value for money and the trends for the future of the grants.

2.0 **Recommendations**

- 2.1 That the task group considers the implications of this research for their recommendations about Watford's neighbourhood forum scheme.

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Report approved by: Carol Chen, Head of Democracy and Governance

3.0 **Funding criteria**

- 3.1 There are a number of criteria which councils use to determine whether applications for grant funding are acceptable. Some are already covered in the Watford Borough Council Neighbourhood Forum scheme. Criteria which could be considered for the guidelines are listed below for the task group's consideration.
- 3.2 Retrospective applications; many of the councils do not permit applications for projects which have already taken place. Along with funding for catering, this is already excluded in the current guidelines.
- 3.3 The status of the groups to benefit from the grant: some councils only accept applications from formally constituted groups with a bank account. Most also exclude individuals and profit-making companies from benefiting from grants. Some do not permit organisations with outstanding debts to the Council to be considered for funding. Statutory organisations, including the Police, do not receive funding in some areas.
- 3.4 A theme among the criteria is that applications should meet the respective council's priorities. Should the task group wish to consider adding this criteria, the priorities for Watford Borough Council are:
- Identify ways to manage the Borough's housing needs
 - Champion smart growth and economic prosperity
 - Provide for our vulnerable and disadvantaged communities
 - Deliver a digital Watford to empower our community and secure our own financial future.
- 3.5 Many schemes do not permit grants to political or religious organisations unless the project demonstrates a wider community benefit.
- 3.6 A strong link between the project/organisation and the councillors' ward is often required.
- 3.7 A number of the schemes do not permit contributions to the core funding of organisations. This means that money cannot be used for administration/running costs/salaries or for unspecified purposes.
- 3.8 Preference is given in some cases to new applications over repeat funding. The Watford Small Grants Fund will not fund the same project for 2 years after a successful application.
- 3.9 There are some examples of capital works and refurbishments to buildings be excluded from the remit of the grant budgets.

4.0 Budgets and value for money

- 4.1 The Head of Democracy and Governance underlined that ensuring value for money was a key area for the task group. The research undertaken has highlighted some areas for consideration.
- 4.2 Where available, appendix A includes details of the grant budgets at the other councils. These vary significantly; from £200 per councillor (at both North Tyneside and Tunbridge Wells) to £18K per ward (Leicester City Council).
- 4.3 There are some other restrictions on what the funding can be used for. These include debts, loans and recoverable VAT.
- 4.4 Grants which benefit individuals in particular are often restricted. This excludes gifts and prizes being eligible for funding.
- 4.5 In order to ensure that a variety of projects can receive funding, some schemes limit the maximum value of each individual grant within the budget.
- 4.6 To maximise value for money, one area for consideration is follow up of grants. Councils can require organisations to provide proof of purchase and evidence of benefit following the completion of funded projects. In some cases, any unspent monies must be returned to the council. Details of the monitoring requirements for Watford's Small Grants Fund can be found on page 3 of Appendix B.

5.0 Future of the grant funds

- 5.1 The review demonstrated the wide variety in how councils provide resources for councillors to engage with their local communities. At a number of the councils, there was no evidence of neighbourhood budgets; rather area committees remain in operation instead.
- 5.2 Several councils had discontinued their schemes in the last few years or had changed the criteria or focus of the budgets.
- 5.3 Other options are available for the operation of the funds. For example, there could be a deadline earlier in the financial year, after which any remaining funds could be pooled and available to councillors from any ward. Alternatively, decisions are sometimes taken by a panel which meets at regular intervals to streamline the administration of applications and apply the funding criteria.
- 5.4 The task group is invited to consider how the operation of the fund could be strengthened to maximise value for money.

Appendices

- Appendix A - Neighbourhood Forum Comparisons research
- Appendix B - Watford Borough Council Small Grants Fund April 2016-March 2017
Guidance Notes