

## Report of Strategy and Commissioning

### Report to the Director of Environment and Neighbourhoods

Date: 15th August 2012

Subject: Leeds Transition Fund – Approval of Grant Applications

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: 10.4(3).		
Appendix number: A, B and C		

Appendix A , B and C to this report is considered confidential under Access to Information Procedure Rule 10.4 (3), because it contains information relating to the financial affairs of individual(s). It is considered in these circumstances that the public interest in maintaining the exemption from publication outweighs the public interest in disclosing the information

### Summary of main issues

As part of the Council's budget setting process for 2012/13, £250k was identified to establish a Transition Fund to support third sector organisations to adjust to funding changes and become more sustainable.

The aim of the fund is to help organisations delivering high quality public services to become more resilient, agile and able to take up opportunities presented by a changing funding environment

Leeds Transition Fund was launched on 1<sup>st</sup> June 2012, the grant application process was jointly managed by the Council and Leeds Community Foundation (LCF).

### Recommendations

Director of Environment & Neighbourhoods is asked to agree that:-

- Projects listed in Appendix A are not supported for the reasons outlined.
- Projects listed in Appendix B are deferred.
- Projects listed in Appendix C are approved to receive Leeds Transition Fund, as outlined subject to the conditions listed.

## **1 Purpose of this report**

- 1.1 To provide details of the Leeds Transition Fund and a summary of the applications for grant received. To describe the process used for assessing applications and to make recommendations about which projects should receive funding support

## **2 Background information**

- 2.1 As part of the Council's budget setting process for 2012/13, £250k was identified to support the Transition Fund, in the process assisting third sector to adjust to funding changes and become more sustainable. The aim of the fund is to help organisations delivering high quality public services to become more resilient, agile and able to take opportunities presented by a changing funding environment. Grants will be available to help groups to assess and re-align services, to prepare for new commissioning opportunities and to facilitate partnership working e.g. merger and closer collaboration.
- 2.2 The Third Sector Partnership Group (TSP), chaired by Councillor Yeadon, discussed the fund at its meeting in May 2012 and agreed the criteria for 2012/13.
- 2.3 The grant application process was jointly managed by Leeds City Council and Leeds Community Foundation (LCF). £7k out of the £250k was used to pay LCF to do this work. Approval to this decision has already been secured.

## **3 Assessment of application**

- 3.1 The Leeds Transition Fund was launched on 1<sup>st</sup> June 2012, a briefing session was held as part of the Being Enterprising event organised by Leeds Community Foundation on 18<sup>th</sup> June 2012.
- 3.2 There was a two –stage application process. An initial Expression of Interest (EOI) form was made available from 1<sup>st</sup> June with a deadline for submission of 6<sup>th</sup> July. The purpose of the EOI was to enable a quick assessment of potential eligibility in terms of financial criteria and the proposed activity. The deadline for receipt of the full applications, including supporting information, was 13<sup>th</sup> July 2012
- 3.3 If the EOI appeared to indicate that the proposal would be within the scope of the fund, a full application form was sent to the applicant, together with a list of required supporting information, explanatory notes (including scoring criteria) and the evaluation of the 2011 Transition Fund.
- 3.4 22 EOIs were received by the deadline, for a total of £197,000. Despite encouraging organisations to submit EOIs as soon as possible, 16 of the 22 EOIs were submitted on the deadline date.
- 3.5 19 full application forms were sent out. 14 full applications were received by the deadline and three applications were declined at EOI stage.

- 3.6 Key eligibility criteria for applicants included the requirement to provide evidence of a drop in taxpayer income of at least 15% between 2010/11 and 2011/12 for the delivery of frontline services in Leeds; evidence to show that at least 50% of 2011-12 income was from taxpayer sources; and a requirement to have less than six months running costs in free reserves.
- 3.7 Organisations applied for support for a range of activities including:- to review business models and prepare for future commissioning opportunities, review systems, deploy a new database to improve monitoring system, considering the feasibility of a potential merger with another organisation, forming a consortium. A summary of applications recommended for approval, their proposed activity and panel recommendations can be found at Appendix C.

The process for assessment was as follows:-

- Initial eligibility assessment by Leeds Community Foundation (LCF)
- Applications meeting eligibility criteria assessed and scored by officers from LCF and the Council, and one from the Council (5 assessors in total, 3 from the Council). Applications had to achieve a minimum score of 100 points out of a total of 150 to be recommended for approval.
- A consensus score was agreed for each project at a moderation meeting held on 3<sup>rd</sup> August 2012 to ensure that scoring was consistent. This was attended by two officers from Strategy & Commissioning (S&C) in Environment & Neighbourhoods, one officer from Adult Social Care and two from LCF.
- A panel meeting was held on 8<sup>th</sup> August 2012 with a representative from the VCFS alongside representatives from the NHS, Adult Social Care, S&C and Children's Services. Officers from S&C and LCF who undertook the assessments presented the outcomes of the assessment process.

- 3.8 Overall, the standard of the applications was disappointing. Most applicants had to be asked for additional information to assess whether they met the criteria for funding. A number of applications did not meet the funding criteria.

#### **4.0 Panel Recommendations**

- 4.1 A total of five applications were deemed to be ineligible by the appraisers and these assessments were supported by the Panel. Appendix A provides details of the organisations and reasons for their ineligibility. .

- 4.2 There were a total of seven applications which achieved the minimum score and were recommended for support. Five of these were supported by the panel, and two were recommended for the second round of the fund (launched on 13<sup>th</sup> August 2012). In some cases, further conditions were requested by the Panel and these will be incorporated into funding agreements.

4.3 In summary:-

Leeds Transition Fund amount available	£197,000
Value of applications recommended for approval (maximum)	£46,908
Unallocated funding	£150,092

- 4.4 It is possible that the funding allocated to some projects may be reduced if satisfactory responses to requests for additional information (mostly financial) are not deemed adequate.

**5.0 Management of the Fund**

- 5.1 S&C will be responsible for managing the fund. Letters will be sent to all applicants informing them of the outcome of their application by the end of August 2012. Successful applicants will be sent letters with the conditions of funding attached. This will be followed by further negotiation over expenditure detail and payment arrangements. A funding agreement with appropriate schedules will be issued. All funds will be spent by the end of March 2013.
- 5.2 Unsuccessful organisations will be provided with feedback on the decision and, where appropriate, advised to apply for the second round of the fund. They will also be signposted to other possible sources of support. .
- 5.3 A press release from the Executive Member for Neighbourhoods, Housing and Regeneration will be issued once the funding approvals have been finalised. This will detail the organisations to be supported and expected outcomes.
- 5.4 A short evaluation report on the fund will be produced post-March 2013, highlighting the outcomes, successes and learning points for the organisations supported.
- 5.5 The second round of funding was launched on 13<sup>th</sup> August 2012 and includes the unallocated monies from the first round. Unsuccessful organisations from round one are able to re-apply to the second round, providing they meet the criteria. However, it is proposed that the criteria requiring evidence of a 15% drop in taxpayer income is withdrawn to encourage a higher number of quality applications. As with round one, applicants must clearly demonstrate why they need to move into new areas of business and become more sustainable.

**6 Corporate Considerations**

**6.1 Consultation and Engagement**

- 6.1.1 Both Cllr Yeadon and Cllr Gruen have been consulted on the contents of this report.
- 6.1.2 Consultation on the fund's criteria has taken place with the Third Sector Partnership and Third Sector Leeds members. The second round of the fund will be publicised widely to engage as many organisations as possible, and to encourage a higher number of quality applications. Organisations unsuccessful in round one will be

given advice and support to improve future applications and will be signposted to other appropriate sources of funding.

## **6.2 Equality and Diversity / Cohesion and Integration**

All grant-recipients will be asked to consider the Equality, Diversity and Community Cohesion impacts of their proposed activities as part of the application and monitoring process. These issues will continue to be monitored through delivery of the projects.

## **6.3 Council policies and City Priorities**

Council officers have been involved in finalising all application documents including scoring criteria and will be involved in the assessment of applications. Ultimate funding decisions will be made by the Council.

## **6.4 Resources and value for money**

All applications have been assessed rigorously to determine value for money and appropriate project outcomes. Funding will be dependent on the organisations in Appendix C performing satisfactorily against the monitoring arrangement as outlined within the Grant Conditions.

## **6.5 Legal Implications, Access to Information and Call In**

All successful applicants will receive funding agreements and schedules outlining the requirements of the grant. The information contained in the Appendices to this report relates to the financial or business affairs of applicant organisations and is considered to be commercially sensitive. This information has been obtained through a grants process which is still subject to negotiation in some areas. It is therefore considered that this element of the report should be treated as exempt under rule 10.4 (3) of the Access to Information Procedure Rules.

## **6.6 Risk Management**

Arrangements to mitigate risks will be put in place

## **7 Conclusions**

The number and quality of applications to the fund has been disappointing. Therefore, organisations unsuccessful in round one will be given detailed feedback and, where appropriate, encouraged to consider re-applying to round two (launched on 13<sup>th</sup> August 2012). These organisations will also be signposted to other potential sources of funding and support. In addition, it is proposed that the criteria requiring evidence of a drop in taxpayer income of at least 15% be withdrawn to encourage a larger number of quality applications.

## **8 Recommendations**

The Director of Environment & Neighbourhoods is asked to

- Agree that projects listed in Appendix A and B are currently ineligible for support.
- Approve the applications recommended for approval as outlined in Appendix C, subject to the conditions listed.
- Approve that criteria to evidence a reduction of at least 15% in taxpayer income be withdrawn from round two.
- Approve that unallocated funding from round one be moved into round two (launched on 13<sup>th</sup> August 2012). .

## **9. Background Papers<sup>1</sup>**

9.1 None

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<sup>1</sup> The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.