To:
Cllr. Rachel Wade, Executive Cllr for Communities 27.06.2024

Report by:
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Wards affected:
All

Non-key Decision

1.   Executive Summary

1.1   Grant funding to community groups is a core component of the council's approach to community wealth building, with funding of approximately £2m available annually to support the community and voluntary sector.

1.2   The councils Grants team manage most of these grants and has a reputation for providing an exemplary service to community groups across the city. In addition to assessing approximately 200 individual grant applications every year, they bring together skills and expertise for the council in a range of areas, including:

1. Building relationships with community organisations and developing their capacity to be grant applicants and providing ongoing support to groups to enable them to deliver community activities
2. Developing grant documentation, promotion, application processing, administration, providing governance advice and undertaking due diligence checks
3. Technical expertise for assessment and decision making
4. Monitoring and reporting of beneficiaries and outcomes

1.3   The current grant management approach, however, relies heavily on manual data entry systems, and there are fragmented grant streams available across the council, with different systems and processes for applicants to navigate to be able to access funding.

1.4 There are some risks and constraints with the current management approach for the council and applicants, and a comprehensive options appraisal has been completed to assess alternative approaches the council could consider.

1.5 Having assessed the strengths, weaknesses, and risks for a range of options detailed at Appendix 1, the appraisal recommends that the council considers implementing a digital grant management platform. This will help to minimise risk, maximise efficiency and improve the applicant experience.

1.6 The appraisal further recommends completing an end-to-end systems audit and considers managing all community and voluntary grant funding[1] streams included in the matrix at Appendix 2, via a digital grant's platform, which will effectively become the new Grants Gateway.

2. Recommendations

2.1 The Executive Councillor is recommended to:

1. To agree to implement a digital grant platform
2. To delegate responsibility to the Director of Communities to oversee the procurement of a digital grant's platform and a smooth transition to implementation

3. Background

3.1 There have been several reviews of the council's grant funding processes aiming to bring greater consistency and transparency to the allocation of grant funding to community and voluntary groups.

3.2 In 2019, feasibility work was completed for creating a single Grants Gateway for major council grant funds, to be managed by the councils Grants team. In 2020 the Grants Gateway was implemented, merging Community Grants, Area Committee Community Grants, Homelessness Prevention Grants and Sustainable City Grants into one process. However, some council grants were not brought into the Gateway at that time, and some new grant streams were developed later which are also managed independently of the Grants Gateway.

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[1]Grants to individuals and businesses are of out of scope for this review

3.3 The key risks and constraints for the council and grant applicants with the current grant fund management approach are, as follows:

    3.3.1 There is a lack of corporate oversight of council grant funding streams

    3.3.2 Data interrogation is currently manual and difficult, and it is not possible to access 'snapshot' data at any time to review funding allocations made according to thematic priorities, beneficiaries and geographic distribution across the city etc.

    3.3.3 There is no seamless connection with other corporate systems such as the finance system

    3.3.4 Confusion for applicants in accessing different council grant streams from different service areas, with different processes

    3.3.5 Significant manual data input for applicants and staff and risks with entry errors

    3.3.6 Time consuming and admin 'heavy' systems mean less council staff time is available for engaging, supporting and monitoring work with community groups

    3.3.7 Applicants cannot easily track progress with an application

3.4 The review of the council's grant management approach in this report, seeks to achieve the following outcomes:

    3.4.1 To improve the applicant's journey and experience of applying for funding, delivering activities, and evidencing impacts

    3.4.2 To further improve the reputation of the council's grant funding service

    3.4.3 To mitigate the risks identified with the current approach and maximise efficiency for the council

    3.4.4 To ensure the needs of all applicant's and staff are considered as part of any changes implemented

    3.4.5 To ensure grant funding supports the council's Community Wealth Building Strategy

    3.4.6 To improve data interrogation and impact measurement

    3.4.7 To ensure standard operating procedures and staff training are in place to mitigate the risk of any single person dependencies

    3.4.8 To provide an agreed process and timetable for further reviews and continuous improvement for grant fund management

3.4.9 To provide an opportunity to support wider grant management across public bodies to support the Compact[2] principles

3.5   Appendix 1 sets out the findings from an appraisal of the different options around the following possible management approaches:

1. No change to current approach
2. Making minor process and system improvements
3. Implementing a digital grant management platform
4. Outsourcing some, or all, elements of Council grant fund management to a third-party organisation

3.6   The appraisal concludes that the no change or minor system and process improvements (options 1 and 2) will not maximise efficiencies, or sufficiently mitigate most of the risks identified in section 3.3 above.

3.7   The option to outsource all or some elements of grant fund management to a third-party organisation was also appraised. It should be noted that Area Committee grants have previously outsourced to a third party by the council but brought back in house in 2013.

3.8   The appraisal considered outsourcing different components and combinations of components as a service delivery contract. There are significant risks identified with all, and TUPE of council staff to a contractor may be prove a significant barrier to completing a successful procurement process.

3.9   The appraisal recommends Option 3, that the council implements a digital grant platform to:

- Make significant improvements to the customer journey
- Help simplify the council's approach and processes, bringing a single approach to grant management

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2 The Compact is an agreement between voluntary and community sector groups and the statutory sector which allows both sides to work together and understand what to expect from each other.

- Improve corporate oversight of grant funding streams and availability of live in-year snapshot data, data interrogation and reporting
- Enable seamless integration with other corporate systems
- Maximise efficiencies and enable more time to be available to work directly with community groups
- Deliver greater staff satisfaction
- Retain staff skills within the council

3.10 If the recommendation is approved, work will begin immediately on developing a business case and tender documentation. Upon the successful appointment of a provider, the platform will be developed over the autumn/winter. Grant schemes open all year round (such as the United with Ukraine Grant scheme) would come on stream first as the demand is steady, enabling any early teething problems to be ironed out with minimal impact on applicant groups. The platform will be fully operational for all in-scope grant schemes for the 2025-26 funding year.

4. Implications

a) Financial Implications

There are digital grant platform packages already available, which have been developed for other grant funding organisations and these range in cost of between approximately £15- £50k as a one-off development cost and ongoing licence costs of approximately £30k per year.

Following development of the digital grant's platform, the ongoing costs will be absorbed within future council budgets.

b) Staffing Implications

A digital grants platform will change the way the Grants team work and this may result in changes being required to some job descriptions in due course. This will be particularly pertinent to the Information Officer which is currently a one-year fixed term post.

c) Equality and Poverty Implications

An EQIA has been completed to accompany this report, but no impacts have been identified.

d) Net Zero Carbon, Climate Change and Environmental Implications

The introduction of a digital grant's platform will have no discernable impacts and so has been given a rating of zero.

e) Procurement Implications

An open tender process will be completed to purchase a digital platform to ensure the council's needs are met and value for money is achieved.

f) Community Safety Implications

There are no community safety implications.

5. Consultation and communication considerations

Several corporate teams will be asked to join a project team to help draft the tender specification, make the preferred supplier award decision, and to complete the development and implementation work.

The need to develop a focus group of community and voluntary organisations to input to the design and implementation stage, will be considered.

6. Background papers

N/A

7. Appendices

Appendix 1 - Options Appraisal Future Grant Fund Management
Appendix 2 - Grant Funding Matrix
Appendix 3 - EQIA

8. Inspection of papers

To inspect the background papers or if you have a query on the report, please contact please contact Allison Conder, Strategic Project Manager, tel:01223 457862, email: allison.conder@cambridge.gov.uk