

SCVO

Direct Grants Programme

Interim Evaluation

July 2003

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Section 1 – Executive Summary

Preface

1.1 MCM Associates were appointed by the Scottish Council for Voluntary Organisations (SCVO) to undertake an evaluation of the Direct Grants Programme. The Evaluation was to be completed over 2 stages as follows:

- *Interim Evaluation* – Focuses on the progress that has been achieved in establishing the programme and undertaking a review of the operating systems and administration arrangements.
- *Final Evaluation* – Reporting on the overall impact of the programme against the agreed targets.

1.2 This report details the main findings from the *Interim Evaluation* and provides an outline of the operation of the Direct Grants Programme and its performance to date.

Executive Summary

1.3 Direct Grants Programme is a small grants programme that aims “to increase employment opportunities and social cohesion within disadvantaged communities”. The programme is managed and administered by the Scottish Council for Voluntary Organisations with funding through the Scottish Objective 3 Programme. Co-finance is provided by Communities Scotland and Scottish Enterprise.

1.4 Direct Grants Programme has evolved from the two pilot schemes that were operated under the “*Local Social Capital Programme*”; “*Building Brighter Futures*” that targeted the old industrial areas of West Scotland and “*Community Chest Programme*” that was targeted at former coalfields in East and Central Scotland.

Background

1.5 The overarching aim of the Direct Grants Programme is:

“To increase employment opportunities and social cohesion within disadvantaged communities by promoting collective action of groups and individuals working together towards economic and social regeneration”.

Description of the Direct Grants Programme

1.6 The Direct Grants Programme provides revenue grants up to £15,000 to small community based organisations across Scotland. For administration purposes, six regions have been established – Grampian, Dumfries and Galloway, Borders, Fife and Tayside, Glasgow and the West, Lothian and Forth Valley.

1.7 The programme fund is £3.2m and the Business Plan anticipates 380 individual grant awards averaging £8,400.

1.8 SCVO acts as the Managing Agent for the programme on behalf of the funding partners. The executive management and administration of the programme is carried out as follows:

- Programme Committee – Responsible for the strategic management of the programme and the implementation of the Business Plan. Membership comprises representatives from Communities Scotland, COSLA, CVS Scotland, East of Scotland European Partnership, Scottish Enterprise, Scottish ESF Objective 3, Scottish Executive, SCVO, South of Scotland European Partnership and Strathclyde European Partnership.
- Direct Grants Team (SCVO) – Responsible for administering the programme, maintaining systems, supporting local community groups through the application process, processing and paying grant awards, managing the monitoring system and reporting to the funders and partners.
- Local Selection Group Network (“LSG”) – The LSG regional panels review and appraise the grant applications. There are approximately 100 members spread across the six regional areas.
- Contractors – Local contract arrangements have been developed in three areas for the delivery of the programme. These include:- Glasgow Council for the Voluntary Sector, Aberdeen Council for Voluntary Organisations, Borders Forum of CVS.

1.9 The management of the grant fund falls into five phases – enquiries, pre-appraisal, appraisal, post approval and monitoring. Wherever possible, information is communicated electronically and the appraisal process is web based.

1.9 The Direct Grants Team has set up a comprehensive monitoring framework that measures activities and outcomes against the targets set out in the Business Plan.

Review of Programme Activity

1.10 From the commencement of the programme until 10th June 2003, the Direct Grants Programme has awarded 142 grants worth a total of £1,119,013. Based on the target, approximately 35% of the total fund of £3.2m has been awarded.

1.11 Further analysis shows that the grants awarded ranged from £880 to £15,000 with an average of £7,900 per grant.

Consultation Programme

1.12 As part of the Evaluation, a detailed Consultation Programme was undertaken that involved individual meetings and focus groups. A total of 52 individuals participated including SCVO staff, Programme Committee, Programme Network, Local Selection Groups, Contractors and Local Community Organisations who had applied for grants.

1.13 A perception study was also carried out during the consultation programme. This approach sought a scored response by participants to a number of statements which addressed programme performance, processes, staff approach and professionalism,

strategic fit and corporate effectiveness. Generally the average scores were high with a mean of circa 80%.

1.14 Overall, feedback from the consultation was extremely positive reflecting the good process that has been made by the Direct Grants Programme. This feedback underscored the following issues:

- The ability of the programme to meet its objectives.
- The application process is straightforward with good quality support and advice
- The direct grants team are approachable, helpful and professional
- There is good strategic fit with partner agencies.

Evaluation Findings

1.15 The main evaluation findings are set out in Section 6 of the report and can be summarised:

- *Funding Allocation* - The Programme will need to maintain and increase momentum in terms of generating grant applications in order for it to allocate the total funds of £3.2m.
- *Project Activity* – The Programme has met its target of supporting community-based organisations that are new or at an early stage of development. The range of activities supported is varied and reflects local needs and circumstances including childcare activity, capacity building, employment/training, economic development initiatives, networking support and social participation activities.
- *Geographical Coverage* – Analysis shows that there are varying patterns of uptake across Scotland. Glasgow and the West of Scotland along with Grampian show a high uptake with a lower uptake in the other regional areas. There has also been a limited uptake by black and ethnic minority groups.
- *Application Process* – Positive feedback was received in respect of the simplicity and ease of use of the application process and the support by local contractors and SCVO staff.

The approval rate for applications is circa 75% and this underscores the high level of support during the application process. Regionally there were variations around this average which requires further examination.

The Programme has a target turnaround time of 8 weeks in respect of the application process. With an actual turnaround time of 14-16 weeks, clearly difficulties have been experienced in achieving this targeted turnaround time.

- *Structures and Operating Systems* – The Direct Grants Team have put robust and effective operative systems in place. This includes arrangements for recording of applications, undertaking technical and eligibility checks, finance appraisals and progress reporting.

Feedback from projects indicated that the decision making process is fair, open and transparent. The appraisal system appears to be working reasonably well although

some technical difficulties were encountered during the early stages of the programme.

Significant progress has been made in establishing a robust and comprehensive monitoring system including the development of a common set of indicators. (Further work is still required in relation to the development of “soft” indicators).

Extensive use has been made of information communication technology within the programme and although technical difficulties have arisen, especially in the early stages, progress has been made in resolving most of these issues. The website has recently been upgraded and is easily accessible and provides a good range of information.

- *Staff Resources* – Feedback in relation to the Direct Grants staff has been very positive and both organisations and partners have indicated that staff were approachable, helpful and very able. There are some issues around the capacity of existing staff levels to deal with the demands of the programme and this requires further examination.
- *Partnership Working* – Feedback suggests that the programme has made a positive contribution to the development of a partnership working at a local level. The LSG Network has brought together representatives from a range of partner agencies and has fostered the development of local partnership arrangements.
- *Programme Development* – Consideration has been given to the strategic fit of the Direct Grants Programme with other grant programmes. No evidence exists to suggest there is any significant overlap or duplication.

The programme would seem to be meeting partner objectives in terms of providing support to local projects; developing new community based activity; and encouraging greater economic and social cohesion.

The Direct Grants Programme should be viewed as “first level” intervention in the process of generating and supporting community based development.

Summary of Recommendations

1.16 The Interim Evaluation has focused on undertaking a review of the progress that has been achieved by the Direct Grants Programme since it was established. Particular attention has been given to the effectiveness and transparency of the management and delivery systems, structures and procedures. The evaluation has also considered the extent of partner engagement in the programme and whether Direct Grants is meeting its objectives.

1.17 It is evident from the evaluation that strong progress is being made regarding the development of the programme with the implementation of robust systems and processes. Appropriate financial structures are also in place and high standards of administration and management have been developed.

1.18 However, a significant amount of work will require to be undertaken to increase the level of applications and interest in the programme to ensure that the fund is fully

allocated by the end of the funding period. The evaluation also highlights a number of issues that require to be considered including the turnaround for applications, the targeting of the programme, staffing capacity and some ongoing ICT issues. These matters require to be addressed as part of the ongoing development of the programme.

1.19 Overall, it should be recorded that the Direct Grants Programme operates effectively and appears to be a well-run programme.

Section 2 – Interim Evaluation

Introduction

2.1 Direct Grants is a small grants programme that aims “to increase employment opportunities and social cohesion within disadvantaged communities”. The grants are managed and administered by SCVO, and are designed to meet the needs of small local community groups and voluntary organisations that have not previously benefited from mainstream funding.

2.2 The programme evolved from two pilots that SCVO successfully implemented; “Building Brighter Futures” that targeted the old industrial areas of the West of Scotland and “Community Chest Programme” in the former coalfield areas in East and Central Scotland.

2.3 Direct Grants is supported by the Scottish ESF Objective 3 programme through the Global Grants Funding Scheme. Co-finance is provided by Communities Scotland and Scottish Enterprise. Up to 100% revenue funding is available to support projects that are new or are offering added value to local communities.

Evaluation

2.4 MCM Associates were appointed in April 2003 to undertake an evaluation of the Direct Grants Programme. The evaluation required to be completed over two phases:

2.5 *Phase 1 – Interim Evaluation* – This element will focus on:

- The effectiveness and transparency of the management and delivery systems, structures and procedures.
- Partners engagement, understanding and views on achievements of programme objectives to date.

2.6 *Phase 2 – Final Evaluation* - The final evaluation will concentrate on the overall impact of the Direct Grants Programme measured against the original objectives.

2.7 This report deals with the Interim Evaluation and covers the requirements specified within this element of the assignment.

Scope of Work

2.8 The brief for the Interim Evaluation outlines the scope of the study as follows:

Effectiveness and Transparency

2.9 The evaluation has to consider the effectiveness and transparency of the management, delivery systems, structures and procedures. Key questions to be addressed include:

- How effective and robust are the administrative and monitoring systems and process established in the programme?
- Do the project monitoring processes adequately cover the risk element involved in operating a Global Grants Scheme?
- How has demand been generated for applications?
- How effective has the programme approach and delivery been?
- Have resources been used effectively?
- How can a more seamless (from the point of view of all stakeholders) service be offered?
- How effective, transparent is the application appraisal process?
- What improvements could there be in the project management process?

Partner Engagement

2.10 The evaluation was also to consider Partner engagement, understanding and views on achievement of the programme to date. The key questions to be addressed include:

- What are key partner objectives and are these being met?
- Has the programme increased partnership between players at local, regional and national level?
- Are the other stated objectives of the programme being met?
- Do partners receive the support they require?
- Is the programme proceeding as planned?
- Are the processes working?
- How can the programme be improved?
- Is the information shared?
- How well are the partners contributing?
- What is the partner's understanding of the programmes aims and objectives?

Study Methodology

2.11 The Interim Evaluation has been undertaken through a programme of information gathering and analysis; consultation with stakeholders; project visits; and the completion of a perception survey. Details of the study methodology are as follows:

Assessment of Programme Delivery

2.12 This element of the Interim Evaluation involved a critical review of the programme delivery and underlying processes. This involved extensive consultation and information gathering. It also included desktop research, meetings with staff, and analysis of programme performance. The analysis covered the effectiveness and quality of existing procedures and processes including:

- Management structures and lines of responsibility.
- Reporting systems – quality of information and timelines.
- Funding application processes
- Monitoring framework
- Accounting systems – internal controls, quality of audit trails for drawing down of funding.
- Marketing policy and effectiveness.
- Criteria for assessing grant applications.
- Systems review – critical review of the flow of paper and data, robustness, transparency etc.

2.13 During this stage, a sample of projects were selected and interviews undertaken. The purpose of the meetings was to canvas the views of the projects in relation to the services provided by Direct Grants.

Consultations with Partners and Stakeholders

2.14 An extensive programme of consultation has been undertaken with various stakeholders of Direct Grants. Details of the consultations are included within Appendix A of the report. The consultation programme focused on obtaining feedback in relation to the operation of the Direct Grants Programme; the extent to which it is meeting its objectives; and the impact the programme is making in relation to partnership working.

2.15 The consultation programme included the following:

- Programme Committee – Focus Group
- Local Selection Group Members – Focus Group/Individual Interviews
- Direct Grants Staff – Individual Interviews

- Contractors under Direct Grants – Individual Interviews
- Local Projects (Approved/Declined Projects) – Individual Interviews

2.16 A total of 52 people have participated in the consultation process.

Structure of the Report

2.17 The Interim Evaluation Report has been structured as follows:

- *Section 1 – Executive Summary* - Provides a summary of the main findings and recommendations.
- *Section 2 – Interim Evaluation* – This section sets out the background to the programme, the scope of the study and the methodology that has been used.
- *Section 3 – Direct Grants* – This section provides an overview of the Direct Grants Programme and includes details of the structures and systems that have been established.
- *Section 4 – Review of Programme Activity* – Provides an outline of the progress that has been made by Direct Grants and analysis of the level of activity and operation of the programme.
- *Section 5 – Consultation Programme* – This section provides details on the feedback from key stakeholders.
- *Section 6 – Evaluation Findings* – Draws together the main findings from the evaluation and identifies a number of issues and themes that require to be addressed.
- *Section 7 – Conclusion and Recommendations* – The final section reports on the main conclusions from the study and identifies a number of recommendations for consideration.

Acknowledgement

2.18 MCM Associates would like to record our sincere appreciation to all Partners, Staff, and Projects who have assisted with the Interim Evaluation. This support has been extremely important and has enabled the evaluation to be completed within the required timescales.

Section 3 – Review of the Direct Grants Programme

Background

History

3.1 In 1999 the European Commission launched the local Social Capital Programme which was established to support 30 pilot projects across the European Union. The overarching intention of the Commission was to stimulate ‘Social Capital’ at a local level that would promote increased social cohesion and employment opportunities.

3.2 The programme evolved from two pilots that SCVO successfully implemented; ‘Building Brighter Futures’ that targeted the old industrial areas of the West of Scotland and ‘Community Chest Programme’ in the former coalfield areas in East and Central Scotland.

3.3 Following on from the launch of the ‘Building Better Futures with Local Social Capital’, the SCVO also entered into a partnership with the Coalfields Regeneration Trust to deliver a community chest programme in the coalfield areas of East and Central Scotland.

Evaluation of the Pilot Programmes

3.4 An evaluation of the pilot programmes was carried out in 2001¹ which identified the following overarching conclusions:

- The pilot programmes have successfully provided grant support to a wide range of small organisations. As a consequence, excluded and partially excluded communities were being assisted.
- The activities supported included building local capacity, creating more cohesive communities or networks, and developing the social economy and employability of local people.
- The impact on regeneration was marginal due to the size of the grants. However, potential intangible benefits were identified – future employment, building up of skills in managing small projects, enhancement of confidence levels, encouraging local people to participate etc.
- The programme enabled small under-resourced organisations to access ESF Funding with a view to becoming more effective in the future. It may, in some cases, lead to further funding applications for larger locally based projects.
- SCVO management and administration systems were in place and were working effectively.

¹ Evaluation carried out by the CPS Network in April 2001

Mainstream ESF Funding – ‘Direct Grants Programme’

3.5 Based on the experience of the Local Social Capital and Coalfields Regeneration Trust pilots and the positive findings of the evaluation. SCVO applied for Objective 3 funding to support the rollout of the pilot programme over a three-year period. The programme was re-named ‘Direct Grants Programme’ and is the subject of this interim evaluation.

3.6 In conjunction with the funding application, a detailed Business Plan was prepared that sets out the policy context, assessment of demand, delivery plan, summary of the systems and processes, description of the monitoring and evaluation framework, and the financing arrangements.

3.7 The overarching aim of the Direct Grants Programme is:

“To increase employment opportunities and social cohesion within disadvantaged communities by promoting collective action of groups and individuals working together towards economic and social regeneration.”

3.8 The objectives of the Direct Grants Programme are:

- To increase partnership between players at local, regional and national level.
- To increase local social cohesion/networking and social regeneration
- To achieve organisation development and capacity building within community groups and voluntary organisations locally.
- To achieve local economic regeneration.
- To ensure that the grant fund is distributed to organisations supporting targeted individuals, communities and geographical areas.
- To manage the programme effectively – to promote and monitor the programme and provide development support and establish and implement processes and systems.

Horizontal Themes

3.9 Under the funding provided by the Scottish Objective 3 Programme, Direct Grants is required to undertake a range of actions in relation to the following horizontal themes:

- Equal Opportunities
- Information Society
- Sustainable Development
- Lifelong Learning
- Support for Local Initiatives

3.10 It has been agreed that the monitoring in relation to these activities and principles will be undertaken at programme level. A variety of actions are being undertaken in relation to the horizontal themes but at the same time, Direct Grants do not wish to daunt or overburden local projects.

Description of the Direct Grants Programme

3.11 The Direct Grants Programme was set up to assist small community based organisations to tackle exclusion and promote employability. It particularly targets those projects that will enhance social cohesion, develop community enterprise and foster local networking.

3.12 The Direct Grants Programme is funded from Scottish Objective 3 Programme together with co-funding from Communities Scotland and Scottish Enterprise. The operational area is:

- Social Inclusion Partnership areas.
- Urban, semi-urban and rural community economic development areas.
- Objective 2 and Objective 3 transitional areas.

3.13 As part of the management arrangements, the programme has been divided into six regions:

- Grampian
- Dumfries and Galloway
- Borders
- Fife and Tayside
- Glasgow and the West
- Lothian and Forth Valley

3.14 Grants are available to support revenue costs only and are normally up to £10,000 (£15,000 in exceptional circumstances). Grants are paid in advance and must be spent within one year.

3.15 The Direct Grants Programme is funded for two years and has a total value of £3.2m. The termination date is set down for June 2004 and expenditure must be allocated no later than 31 December 2003. There will be a further round of Objective 3 funding through to the end of 2006, and as yet the partners have not made a decision regarding the submission of an application to allow for the continuation of the programme after mid- 2004.

3.16 The Business Plan anticipates a total of 380 grants at an average award amount of £8,400. (This equate to the total programme fund of £3.2m)

3.17 Community groups and voluntary organisations that meet the following criteria will be eligible for a grant:

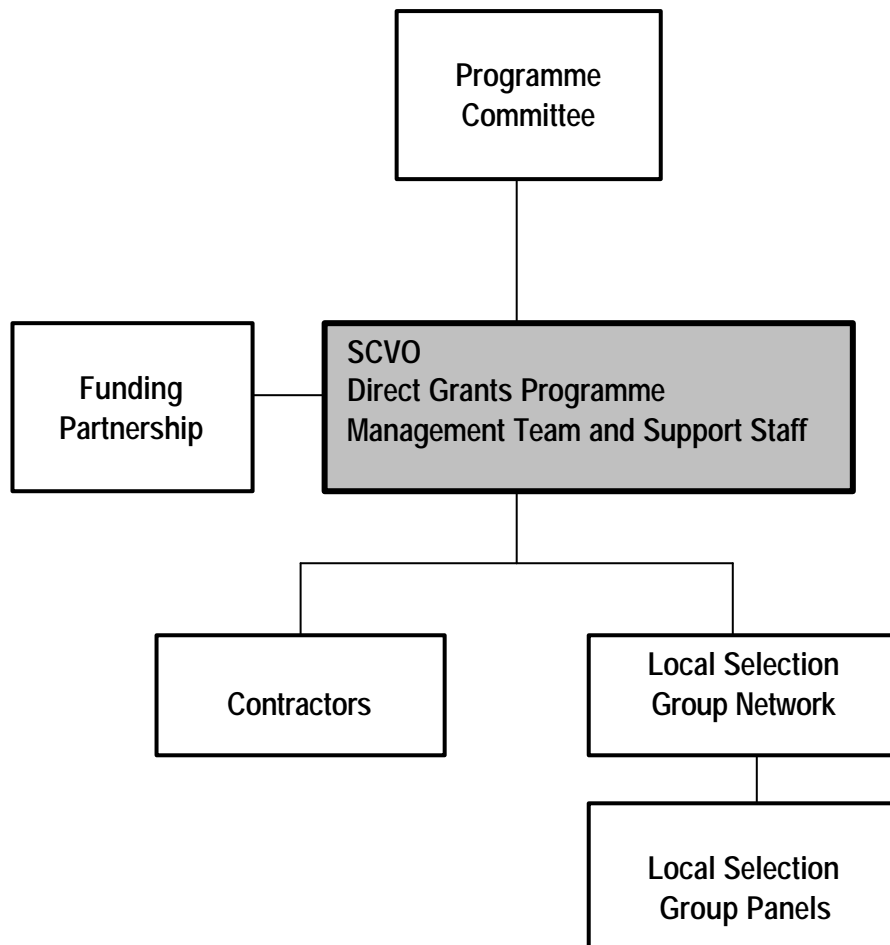
- The organisation is based in the Objective 3 programme area.
- The majority of the management committee are members of the local community.

- The organisation's management is independent of statutory bodies such as a local authority or health authority.
- The organisation is inclusive.
- The principles of equal opportunities are practiced by the organisation.
- The project has independent management and budgetary controls.
- The organisation as lead partner has not received ERDF or ESF funding since 1995.
- The organisation has not received one or more grants totalling £75,000 in the three years preceding the submission of the Direct Grants Programme application. This eligibility threshold applies to awards from the Community Fund, other Major Funds and Trusts, Local Authorities, Social Inclusion Partnerships, Health Authorities and Local Enterprise companies.

3.18 An important principle of the Direct Grants Programme is that the applicant organisation has not previously had access to European structural funds or significant funding from any other source. However, SCVO will be flexible in this context as they recognise that some of the organisations they are seeking to assist in tackling exclusion in disadvantaged communities may already be active in delivering compatible programmes with other funding streams.

Organisational Structure

3.19 The European Commission stipulates that Direct Grants must be distributed through an intermediary body, separate from local and central government structures. Accordingly, SCVO acts as the managing agent for the Programme on behalf of the funding partners. The organisational structure is:



Programme Committee

3.20 The Programme Committee has overall responsibility for the strategic management of the Direct Grants Programme and the implementation of the Business Plan. During the course of the programme, the Programme Committee will:

- Consider the selection criteria
- Review mid-term evaluations of the programme.
- Consider the monitoring framework reports.
- Consider the financial management reports.
- Review the impact of the programme on economic and social inclusion within local communities.

3.21 The membership comprises representatives from Communities Scotland, COSLA, CVS Scotland, East of Scotland European Partnership, Scottish Enterprise, Scottish ESF Objective 3, Scottish Executive, SCVO, South of Scotland European Partnership and Strathclyde European Partnership.

Programme Network (LSG Representatives)

3.22 The LSG Network comprises two representatives from each of the six local selection groups.

3.23 The LSG Network is e-mailed, on a weekly basis, the summaries of grant recommendations received from the Local Selection Group panels. The network members will consider these recommendations and endorse them. In carrying out this role, it seeks to ensure that the SCVO as managing agent has acted properly and with due care and attention in respect of each grant application.

3.24 The Programme Network members also meet twice a year to discuss wider issues and this debate helps to inform the Programme Committee.

SCVO/Direct Grants Programme Team

3.25 The Direct Grants Programme team comprises the following:

Post	Responsibilities
Programme Manager (50% Post)	Provides strategic management to the Direct Grants Programme staff and the regional contractors and is responsible for financial reporting. The Programme Manager is the formal SCVO contact with the Programme Committee
Senior Administrator	Coordinate the activities of the Direct Grants Programme team, maintains the programme systems, manages the project financial information and monitoring systems and acts as editor for the Information Newsletter
Development Officer (Pre-Appraisal)	Works principally with local partners including CVS, local enterprise companies and local authorities. Also the main contact for advice and consultation with applicant organisations during the appraisal stage.
Development Officer (Post Approval)	Responsible for establishing and maintaining monitoring and evaluation systems at programme level. Provides ongoing support to organisations and projects whose applications have been approved. Also responsible for the 'Managing Your Grant' workshops and ensures that the activity reporting requirements are met
Administrator	Responsible for the maintenance of the database – logging of initial enquires, applications and all the processes and paper flows through to the decision letters

Contractors

3.26 SCVO has entered into contracts with three organisations around Scotland who support the voluntary sector. These organisations have undertaken to support local community groups who are applying to Direct Grants. There are three contractors:

- Glasgow Council for the Voluntary Sector (GCVS)
- Aberdeen Council for Voluntary Organisations (ACVO)
- Borders Forum of CVS

Local Selection Groups (LSG's)

3.27 The Local Selection Group panels consider all applications and make recommendations to the Programme Network. The members of the LSG are selected on the basis of their knowledge of the area and local needs and current activity within the voluntary and community sector. A range of statutory organisations and agencies have been invited to join the LSG's and these include Local Councils, Social Inclusion Partnerships, Communities Scotland, CVS, Local Enterprise Companies etc. There are circa 100 members of the LSG's spread across the six regional areas.

Programme Delivery and Operational Arrangements

3.28 The Direct Grants Programme has an open application process with no funding rounds or deadline dates for the submission of applications.

3.29 The management of the grant fund and the delivery of the programme falls into five main phases:

- | |
|--|
| <ul style="list-style-type: none"> - Enquiries - Pre Appraisal - Appraisal - Post Approval - Monitoring |
|--|

3.30 Comprehensive process maps have been prepared in respect of each of the phases and SCVO has set a turnaround target of 8 weeks in respect of the above phases and this is made up as follows:

	Weeks
Acknowledgement and Desk Checks	1
Appraisal by the local selection group panels	2
Approval/Endorsement by the Network	2
Notification of Approval	1
Provision for slippage during the above phases	2
Total	8

Enquiry Phase

3.31 Local organisations and community groups who are considering the Direct Grants Programme as a source of funding will make enquiries through a variety of sources including the Direct Grants Programme website, telephone calls to the Direct Grants Programme team or through a local contractor.

3.32 Application packs will be sent out as appropriate and straightforward queries will be handled by the Direct Grants Programme Team – usually the Development Officer (Pre-approval), Administrator, or the local contractor as appropriate.

3.33 Details of application packs sent out are recorded on the Direct Grants Programme database.

Pre-Appraisal Phase

3.34 When an application is received by SCVO, the following processes take place:

- The application is allocated a unique reference number.
- The application is acknowledged in writing (An acknowledgement postcard is sent out within 48 hours).
- The application is input into the Direct Grants Programme database.
- The Development Officer (Pre-approval) checks the application for eligibility and completeness (within 5 working days).

3.35 If the application is eligible it passes to the appraisal phase. If the application is ineligible or incomplete the applicant is notified and advised of any changes that may be required. Copies of this notification are sent to the local contractor.

Appraisal Phase

3.36 When an eligible application passes through the appraisal phase the following processes take place:

- The Development Officer (Pre-approval) notifies administration that the application is ready for appraisal.
- The Development Officer (Pre-approval) selects the appraisal panel and the required number of recommendations. (For applications up to £5,000 at least 3 members are required and at least 2 responses are necessary. For applications between £5,001 to £9,999 at least 5 members are required and at least 4 responses are necessary. For applications between £10,000 and £15,000 at least 7 members are required and at least 5 responses are necessary).
- Administration will post the application on to the website and notify the LSG panel that the application is now ready for appraisal.

- The LSG panel will carry out an appraisal of the application, complete and submit the on-line appraisal form giving their comments and recommendations.
- The Development Officer (Pre-Approval) will process the recommendations and await the required number of recommendations.
- The recommendations are summarised and posted to the programme network who endorse the recommendation.
- Administration will send the ‘decision letter’ to the applicant organisation.

3.37 In respect of successful applications, these will be passed to the post approval phase. Organisations that have been declined have the option of re-submitting an application or seeking alternative sources of funding. An appeal process is also available.

Post Approval Phase

3.38 After the application has been approved the following processes take place:

- Administration writes to the project/organisation and invite them to a ‘Managing Your Grant’ session (certain forms are also enclosed regarding the expenditure profile, the activities of the project and the bank details).
- Conditions of Grant are sent to the project/organisation who are required to sign this and return to Administration
- A representative from the project will attend the ‘Managing Your Grant’ session and will submit the appropriate grant forms.
- On the return of the forms, these will be checked by the Development Officer (Post Approval). If the documentation is in order, a Grant Agreement is prepared, authorised by the Programme Manager and issued. On receipt of the signed agreement, a payment request is processed.
- Finance will process the payment and the grant is paid to the project – either a one-off payment or in instalments depending on the circumstances detailed in the signed agreement.

3.39 A schedule of the forms that require to be completed by the project or organisation is shown on appendix B

Monitoring and Evaluation Arrangements

3.40 Under the Objective 3 Programme, the Direct Grants Programme is required to report against a range of activities, outcomes and impacts. The principal targets include:

Activities	Number of Grant Awards
	Number of People Trained
	Number of Beneficiaries Being Supported
Outcomes	Number of People Moving into Further Education or Training
	Number of People Gaining Qualifications

Impacts	Increased Employment Opportunities
	Increased Training and Learning Opportunities
	Access To New or Enhances Services.
	Increased Community Participation
	Increased Economic Activity
	Increased Community Empowerment

3.41 A comprehensive monitoring framework has been established which measures activities and outcomes. A list of the performance indicators are set out in Appendix C.

3.42 At an operational level, each project that received a grant is required to complete a form which summarises the target activities; outcomes and the actual results achieved at the end of the grant spend. This information is inputted on the Direct Grants Programme database. Monitoring reports are produced on a regular basis for distribution to the Programme Committee and Funders.

3.43 It should also be noted that the Database allows the Direct Grants Programme to track all enquiries through to successful applications, projects in progress and reporting and monitoring status. Based on this information, reports can be generated on a number of operational and financial issues including:

- Number of successful applications.
- Number of declined applications
- Total value (£) of grant payments
- Average grant payment.
- Breakdown of grants by activity.
- Time taken to process applications.

Section 4 – Review of Programme Activity

Overview

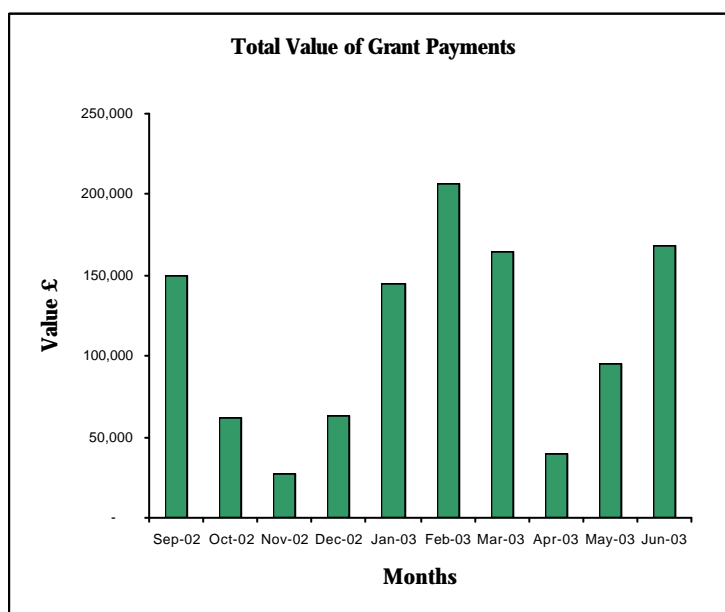
4.1 From the commencement of the programme until 10 June 2003, Direct Grants Programme has awarded 142 grants worth a total of £1,119,013.²

4.2 A comparison with the overarching targets for the programme over its two year life as follows:

	<i>Actual To Date</i>	<i>Target</i>	<i>Actual as % of target</i>
Number of Successful Grant Applications	142	380	37%
Total value of Grants (£)	£1,119,013	£3,200,000	35%
Average Grant Award (£)	£7,880	£8,421	

Value of Grants Awarded

4.3 The total value of grant payments and the number of approved applications is summarised as follows:



Month	£
Sep-02	149,908
Oct-02	61,897
Nov-02	26,870
Dec-02	62,550
Jan-03	144,393
Feb-03	206,629
Mar-03	164,085
Apr-03	39,432
May-03	95,490
Jun-03	167,760
£1,119,013	

4.4 It can be observed that the levels of grant awards has fluctuated significantly from month to month. This is partly due to development issues around the setting up of the fund and the longer than expected time to process applications. It is expected that in

² This information is based on information provided by the Direct Grants Programme Team on 10th June 2003 and covers the period from the commencement of the programme

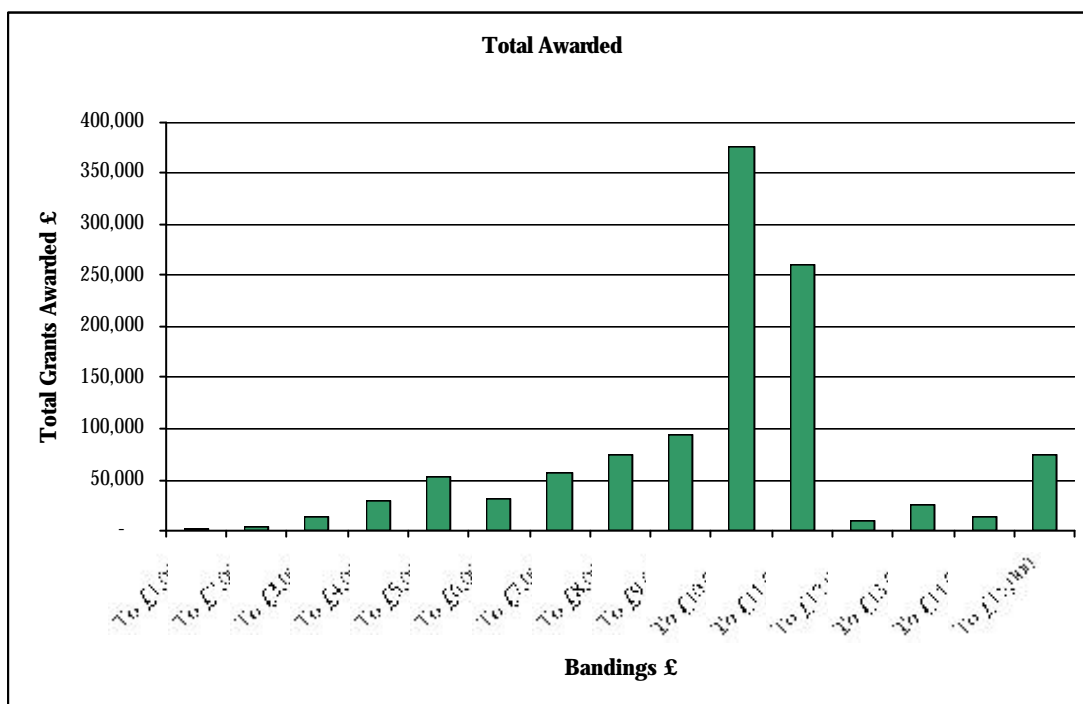
the future, the volume of grant applications processed will be more consistent from month to month.

4.5 The number of applications being considered at the time of the evaluation is also pertinent. It has been advised that a further 26 applications with a value of £194,692 have been approved during the period between the 10th – 30th June 2003.

4.6 Details of grant payments by region is set out on Appendix D.

Level of Grants Awarded

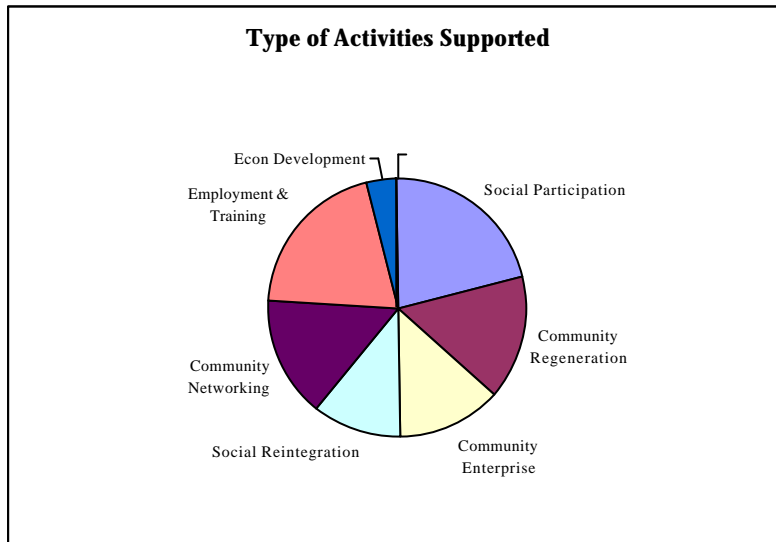
4.7 The grants awarded have ranged from £880 to £15,000. The analysis of this is illustrated below:



Band	Total Paid	No
£0 to £999	1,845	2
£1,000 to £1,999	4,540	3
£2,000 to £2,999	13,969	6
£3,000 to £3,999	29,917	9
£4,000 to £4,999	52,138	12
£5,000 to £5,999	30,758	6
£6,000 to £6,999	57,585	9
£7,000 to £7,999	74,553	10
£8,000 to £8,999	93,143	11
£9,000 to £9,999	375,371	39
£10,000 to £10,999	260,880	26
£11,000 to £11,999	11,028	1
£12,000 to £12,999	25,368	2
£13,000 to £13,999	13,420	1
£14,000 to £15,000	74,500	5
£ 1,119,013	142	

Activities Supported

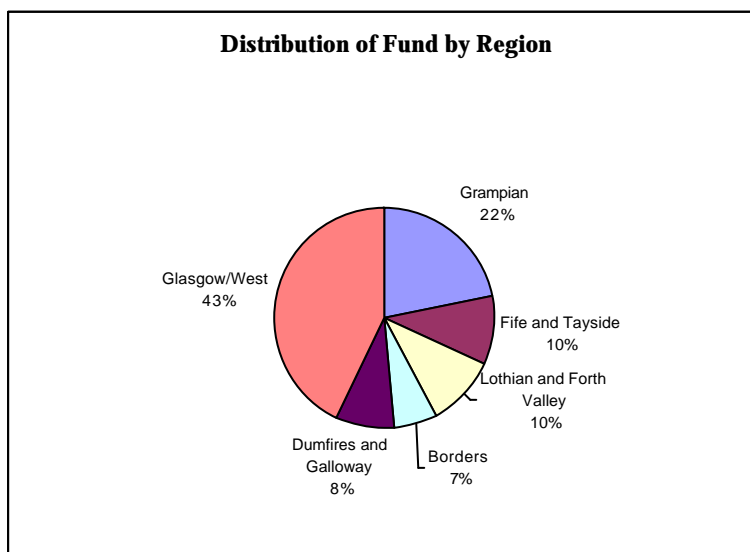
4.8 A summary of the activities supported is set out as follows:



4.9 It can be observed that a broad range of activities have been supported and these include childcare activity, capacity building, employment and training initiatives and economic development initiatives

Regional Distribution of Grants

4.10 A summary of the distribution of the grant fund across the regions is set out as follows:



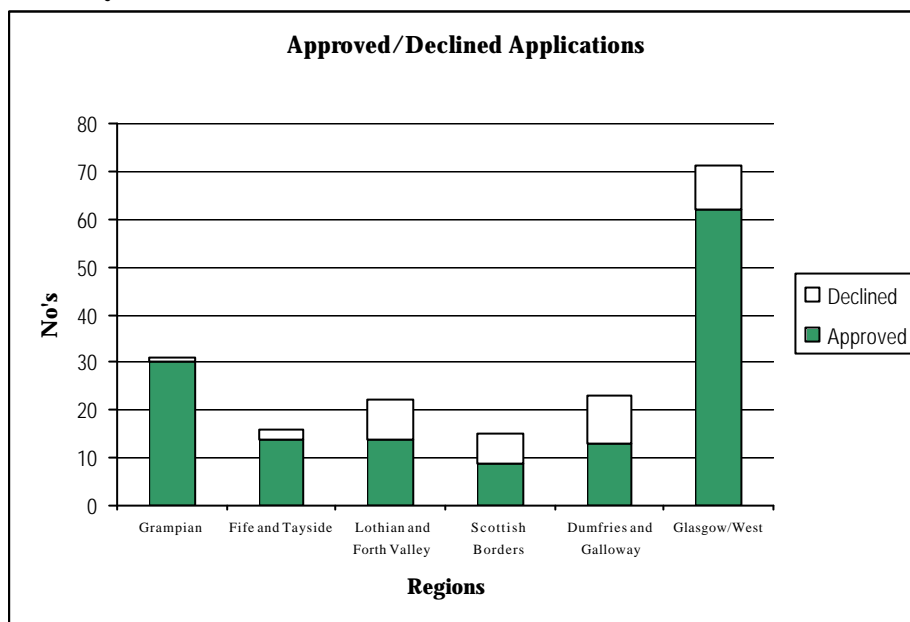
Grampian	247,577
Fife and Tayside	111,144
Lothian and Forth Valley	112,620
Borders	73,807
Dumfries and Galloway	90,897
Glasgow/West	482,969
	£1,119,013

4.11 It can be observed that two thirds of the fund has been allocated to Glasgow/West and Grampian with only 15% in the Borders and Dumfries and Galloway. Although this

is largely due to population, the take-up in these rural areas is proportionately low and the programme requires more promotion within these communities.

Grant Approval Rates

4.11 An analysis has been carried out which compares, on a regional basis, the total applications received with the number that was subsequently approved. The results of this analysis is set out as follows:



Area	Approved	Declined	Approval %
Grampian	30	1	97%
Fife and Tayside	14	2	88%
Lothian and Forth Valley	14	8	64%
Scottish Borders	9	6	60%
Dumfries and Galloway	13	10	57%
Glasgow/West	62	9	87%
	142	36	80%

4.12 This analysis shows some significant regional variation which deserves further attention. For example, in Grampian a total of 31 applications were received and only one was declined. Conversely, in Dumfries and Galloway 23 applications were received and 10 of these were declined.

Turnaround Time Analysis

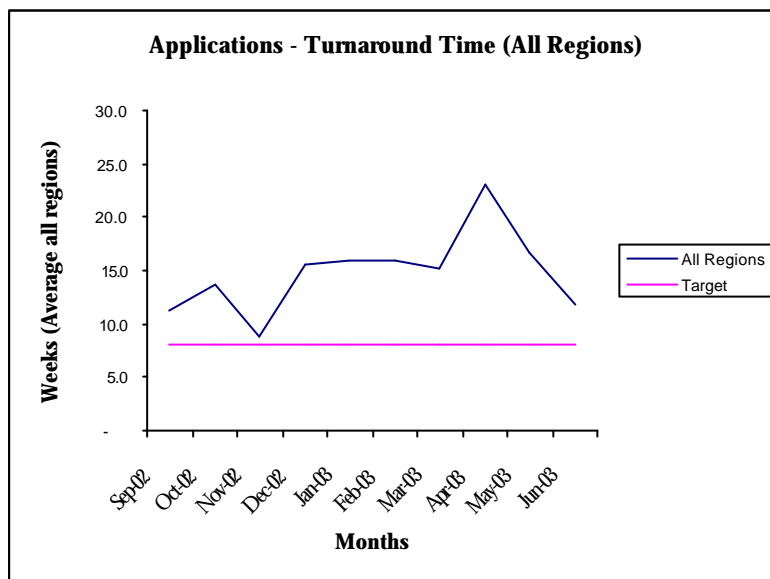
4.13 When Direct Grants was established, a target of 8 weeks was set for the processing of grant applications.

4.14 The actual 'turnaround' times have been analysed based on two critical dates – the date the application was received and the date the decision was formerly notified to the organisation/project. The results of this are set out as follows:

Weeks (Av)

Grampian	14.4
Fife and Tayside	14.6
Lothian and Forth Valley	15.8
Scottish Borders	12.8
Dumfries and Galloway	12.7
Glasgow/West	16.6

4.15 However, these figures are averages taken over the life of the programme to date. The trend of monthly turnaround times is also pertinent and this can be shown in graphic form as follows:



4.16 It can be observed that over the last two months the turnaround time has improved with an achievement of an average turnaround time of 11.8 weeks in June 2003. (To 10 June)

4.17 A more detailed analysis of turnaround times by region is shown in Appendix E and generally the downward trend in turnaround rates over the last two months is shown in each of the regions.

Performance Targets

4.18 Only three projects to date have completed the work for which the grant was awarded and submitted their activity and outcome reports. The impact of the programme and performance against agreed targets will be the main focus during the final evaluation.

Section 5 – Consultation Programme

Perception Survey

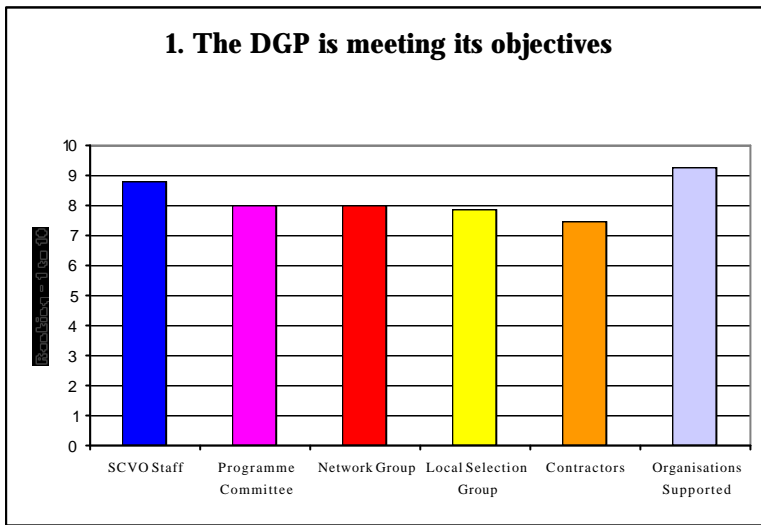
5.1 As part of the consultation process, a ‘Perception Survey’ was carried out during the individual consultations and focus group meetings. A series of 12 statements concerning the Direct Grants Programme were made and respondents were asked to give a rating – 10 for full agreement with the statement through to a 1 for total disagreement. Note that no evidence was required from respondents and therefore the results are intuitive only and provide soundings for further consideration and enquiry by SCVO and the Direct Grants Programme team. A copy of the Perception Survey is attached as Appendix F.

5.2 The results of the survey are set out below in graph format with a brief commentary for each statement. For the purposes of the graphic results, the respondents were put into the following groupings:

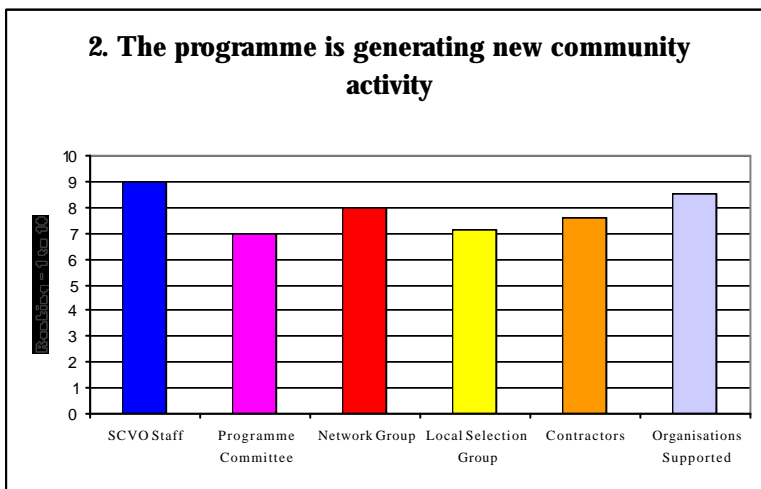
- *SCVO Staff* – Direct Grants Programme team members
- *Programme Committee* – Focus Group meeting with members of the Programme Committee
- *Programme Network* – Focus Group meeting with members of the Programme Network
- *Local Selection Group* – Consultations with a selection of members of the LSG’s
- *Contractors* – Consultations with the regional contractors
- *Organisations* – Consultations with a random selection of community organisations and projects who have applied for a Direct Grants Programme grant

5.3 The questions were clustered under five main strategic issues – Programme Performance, Funding Process, Staff Approach, Strategic Fit and Corporate Effectiveness.

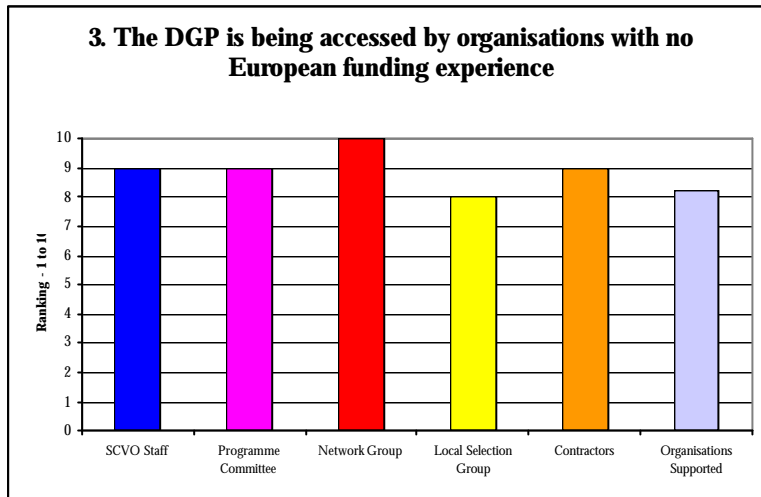
Programme Performance



5.4 This statement sought to explore the extent to which the Direct Grants Programme was achieving its overall aim to help small community groups to tackle exclusion, promote employability, enhance social cohesion and local networking etc. The perception scores are at an acceptable high level. However, a number of the stakeholders did state that it was too early to give an objective response on this issue.

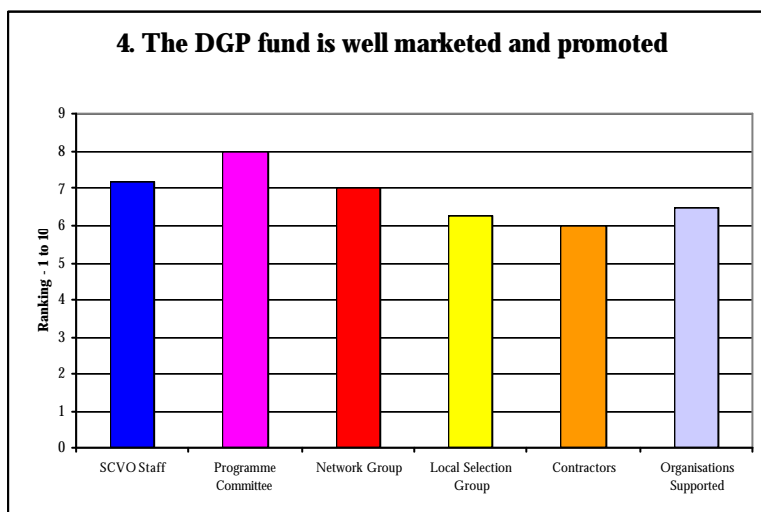


5.5 This statement explores the degree of creativity and innovation in the applications being brought forward. The scores range from 7 to 9 and are at an acceptable level.

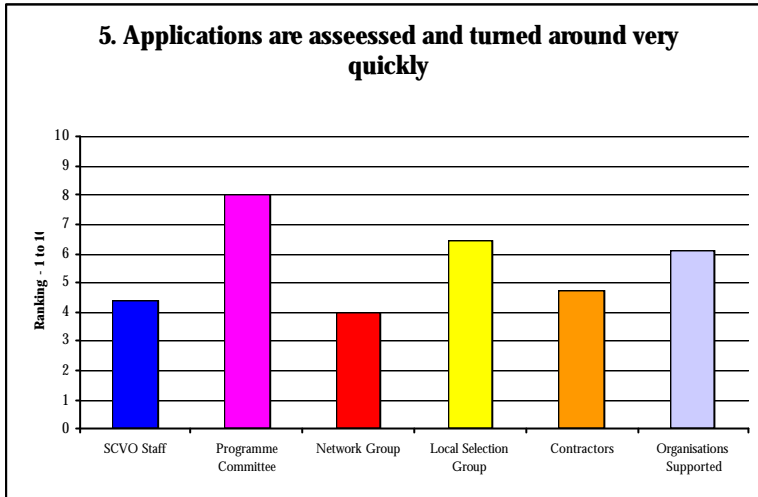


5.6 This statement engages with one of the core aims of the Direct Grants Programme – to make smaller packages of European funds available to local organisations that are unable to access this funding source. All stakeholders strongly acknowledged that the programme is achieving this aim.

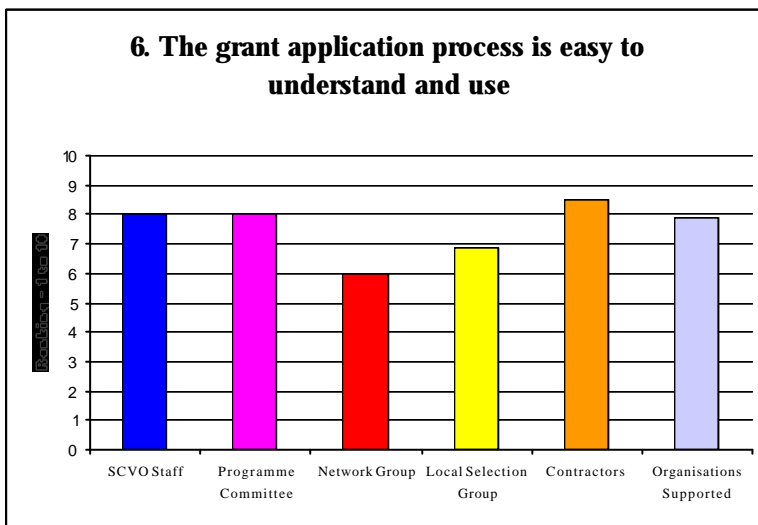
Funding Process



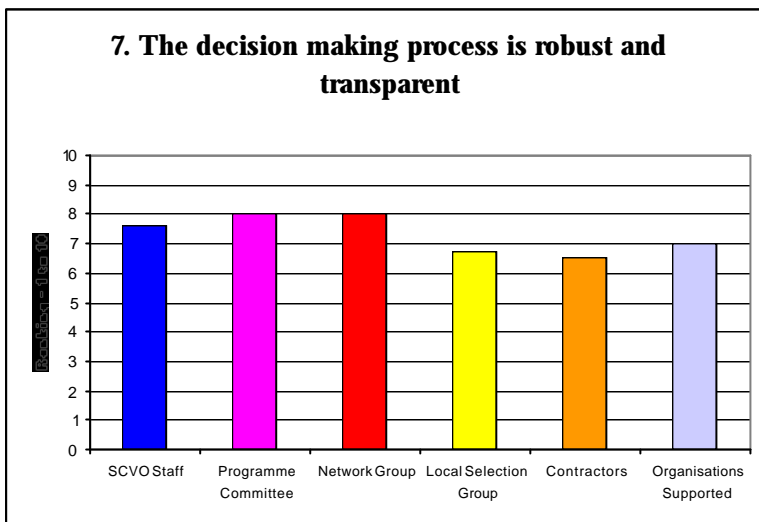
5.7 This statement seeks to test the success of the promotion of the Direct Grants Programme throughout Scotland. The scores are lower with an average of 6.8. Based on this score and the discussion during the consultations; it is suggested that this is an area for further development and improvement.



5.8 Direct Grants set a target of 8 weeks to turnaround an application. The scores here are low with an average of 5.5 and certainly this matter was raised consistently by the organisations consulted. This matter is dealt with elsewhere in the report and although the average turnaround time has significantly exceeded 8 weeks, the trend shows a steady improvement over the last few months.

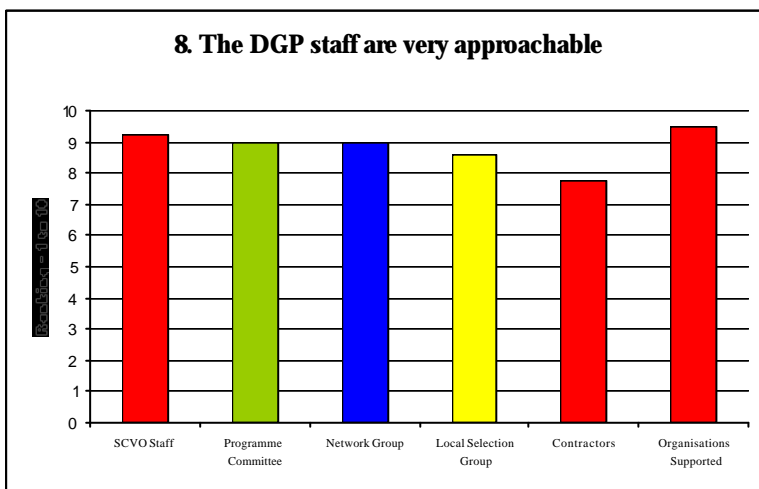


5.9 This statement seeks to assess the ease which applicant organisations found the application process. The scores here are reasonably strong with a score of 7.9 by the organisations consulted. Anecdotal evidence is that the application process is easy to understand and that the support is very good.

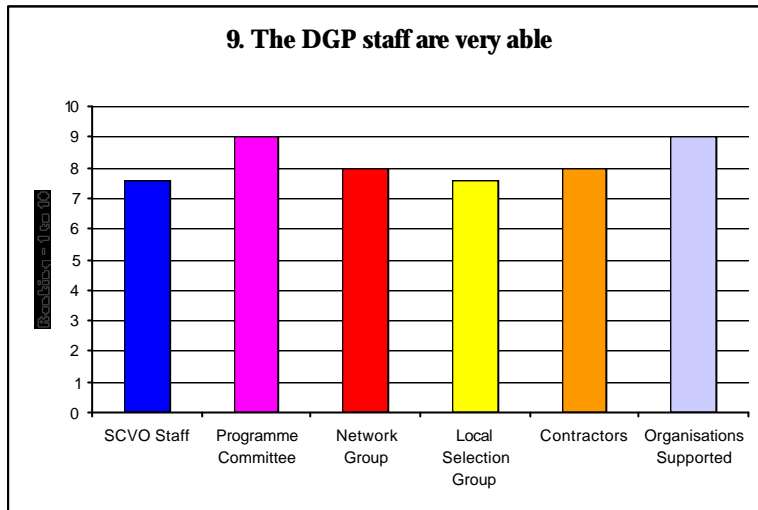


5.10 This statement seeks to test out perception around the decision making process – is it robust and fair? The scores average out at 7.4. Some comments suggest that organisations are not sure how their applications are assessed and perhaps this could be explained more fully during the pre-appraisal phase. (Certainly, those organisations who visit the web site will have this process well explained)

Staff Approach

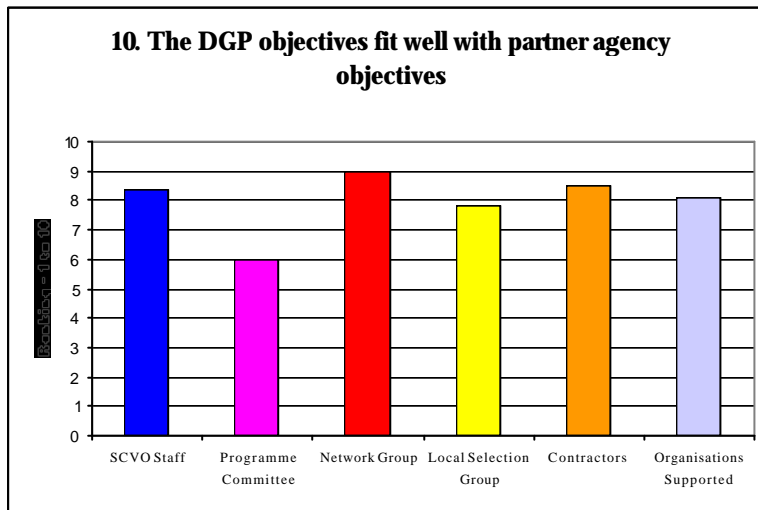


5.11 This statement seeks to obtain feedback on the abilities of the Direct Grants Programme staff in such areas as communication, support, and responsiveness to requests etc. The scores are high and the organisations consulted consistently commented on the high level of support and helpfulness provided by the Direct Grants Programme team. The Contractors’ score is lower than the others and this points to the difficulty they sometimes experience in being able to access members of the Direct Grants Programme team

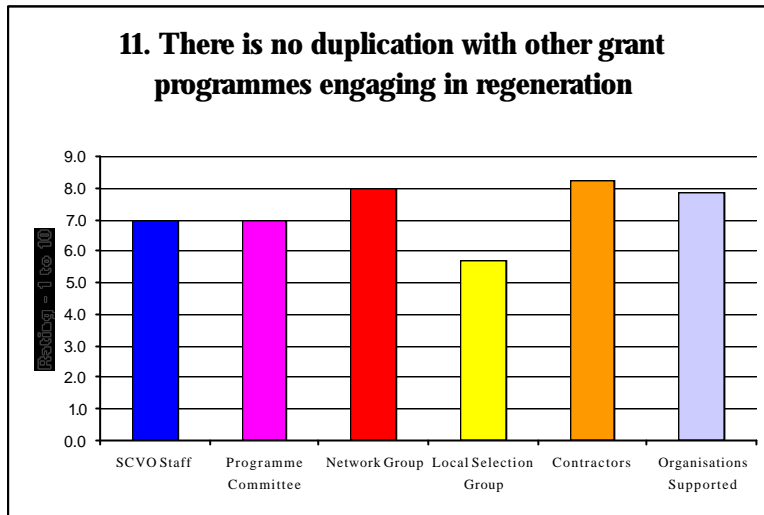


5.12 This statement considers the professionalism and ability of the Direct Grants Programme team – ‘do they know what they are doing?’ Again the scores are high and indicate a good level of performance.

Strategic Fit

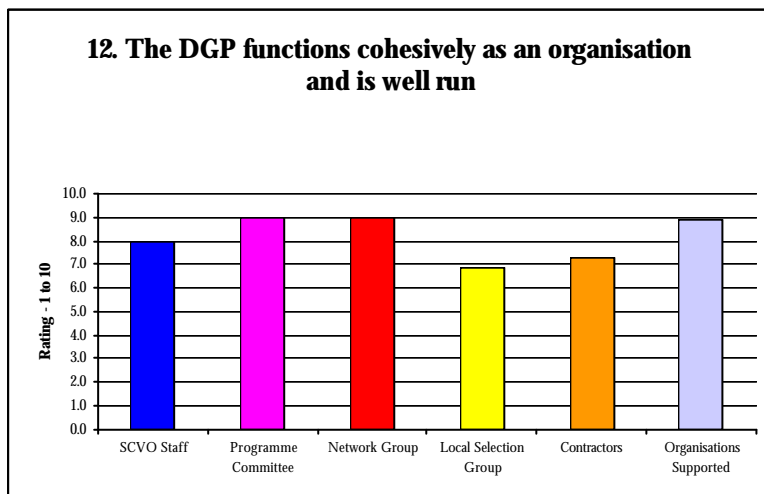


5.13 This statement explores the extent to which the objectives of the programme fit with the aims of the partners – Objective 3, Communities Scotland and Scottish Enterprise. Generally it was felt that there was strong integration and overlap



5.14 This statement seeks to explore the extent of overlap with other funds. Moderately high scores here suggesting that there is no significant overlap. Some stakeholders referred to the ‘Awards for All’ fund as being one aged with a limited overlap.

Corporate Effectiveness



5.15 This final statement seeks to explore perception around the SCVO and the way that it has organised and managed the Direct Grants Programme and the common sense of direction shown by the team. The average score is strong at 8.2.

Stakeholder Feedback

5.15 Overall feedback from the consultation with the stakeholders was extremely positive reflecting the good progress that has been made by the Direct Grants Programme. Particular issues highlighted include:

- The ability of the programme to meet its objectives.
- The application process is straightforward with good quality support and advice.
- The Direct Grants team are approachable, helpful and professional.

- There is a good strategic fit with the objectives of the partner agencies.

The issues raised by the stakeholders that require further development or attention clustered largely around the marketing and promotion of the programme and the slow turnaround time for processing of applications.