



# **Third Sector Investment Programme: Innovation Excellence and Service Development Fund 2009-10**

*Information pack for third sector organisations*

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# **Third Sector Investment Programme: Innovation Excellence and Service Development Fund 2009-10**

*Information pack for Third Sector organisations*

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# Executive summary

This document provides third sector organisations with information about the Third Sector Investment Programme's 'Innovation Excellence and Service Development Fund' (called "The Fund" in the rest of the document).

Organisations should read the information carefully as there are changes to the funding streams available from 2009-10 following the Strategic Review of Department of Health funding of third sector organisations.

The document will provide third sector organisations with information to help them decide if this funding stream is applicable to both their organisation and the proposed activity they are seeking funding for. It details the funding themes for 2009-10, the priority areas for each theme and the criteria we will use for assessing applications. A timetable is provided for the whole process from application through to decision.

If you need more information you can contact the Third Sector Grant Funding Hub:

- By email at [thirdsectorinvestment@dh.gov.uk](mailto:thirdsectorinvestment@dh.gov.uk)
- By telephone on 0113 2545450

# Department of Health: our core purpose and role

The Department of Health's purpose is to achieve:

- **Better health and well-being for all:**  
helping people stay healthy and well, empowering people to live independently, and tackling health inequalities.
- **Better care for all:**  
the best possible health and social care, offering safe and effective care, when and where people need help, and empowering you in your choices.
- **Better value for all:**  
Delivering affordable, efficient and sustainable services, contributing to the wider economy and the nation.

We need to work together to achieve this purpose with other Government Departments, with our partners and stakeholders and with the NHS, social care and other organisations that deliver services to people on the ground. This core purpose – what we are here for - is enshrined in the Department's Strategic Objectives.

The Department of Health delivers this purpose through our core roles of:

- **Setting direction**  
For the NHS, for adult social care and public health through developing strategies, policies, legislation & regulation; and through allocating resources.
- **Supporting delivery**  
By finding the best way to support and mobilise the health and social care system to deliver improvements for patients and the public
- **Leading health and well being for Government**  
We lead the integration of health and wellbeing into wider government policy and integrating wider public policy into health and care services.
- **Accounting to Parliament and the public**  
The Department is responsible for looking after and allocating large amounts of public money and we have a responsibility to explain to the public how their money is being spent and what is being achieved as a result.

# Strategic review of funding of third sector organisations

In December 2007, the Department of Health began a formal consultation on proposals for a strategic framework for its funding and investment in the third sector. The proposals were developed during 2007 through engagement with a variety of stakeholders from third sector organisations at national, regional and local levels, other government departments and Department of Health staff.

The review recognised the critical and integral role of the third sector to the delivery of improved health and well-being in England. This role is at multiple levels from contributing to the development and implementation of policy to help drive innovation and development; through information and contributing throughout the cycle of commissioning for health and social care services helping to understand users needs and expectations; and as providers of health and care services formally commissioned by the NHS and local authorities.

The review aimed to achieve a more strategic approach to the Department's direct investment in the third sector that was more consistent with its role in the health and care system. A clear framework for funding and investment in the third sector that would allow more coherent investment; support evaluation of outcomes and benefits; increase value for money; and reinforce the sector's integral role in improving health and wellbeing outcomes for people.

The vision for future funding of the third sector included four functions: investment in strategic partners; support for innovation excellence and service development; promote and support volunteering; and contracting for expertise required at national level. There was strong support for these functions from the consultation and the principles underpinning this approach.

We are developing a funding framework that will underpin a third sector investment programme. The programme will be developed over time as more funding schemes in the Department are brought into the framework. For 2009-10 the third sector investment programme will include:

- Innovation Excellence and Service Development Fund
- Strategic Partner Programme

From 2010-11 the third sector investment programme will also include a new volunteering investment fund, that builds on the existing Opportunities for Volunteering Scheme.

# Third sector investment programme for 2009-10 to 2011-12

Grants under the third sector investment programme will be made using powers provided by Section 64 of the Health Services and Public Health Act 1968 that gives the Secretary of State for Health the power to make grants or loans to certain voluntary organisations in England whose activities support the Department of Health's policy priorities. Such organisations must meet the legal requirements of section 64 to qualify. The following opportunities are available under the third sector investment programme from 2009-10:

## **Innovation Excellence and Service Development Fund**

The 'Innovation Excellence and Service Development Fund' (called "The Fund" in this document) is 3 year funding that supports projects with an explicit focus on supporting and driving innovation, excellence and service development in the health and social care field, with a potential national impact. Information about the Fund is available in this document.

## **Strategic Partner Programme**

The Strategic Partner Programme aims to invest in an appropriate number of strategic partners who will work collaboratively with the Department of Health to:

- Advise and inform the Department about key issues in the health and social care field affecting the third sector
- Develop capability and capacity in the third sector
- Establish a coherent and rational framework for engaging with third sector organisations at a national level in a systematic and mutually beneficial way
- Achieve shared objectives in improving health and well-being and reducing health inequalities
- Provide robust and systematic dissemination methods for information, policy developments and key programmes enabling third sector organisations to engage in the delivery of health and well-being objectives

More information is in the *Strategic Partner Programme 2009-10 Information Pack* available on the DH website at [www.dh.gov.uk/thirdsectorinvestment](http://www.dh.gov.uk/thirdsectorinvestment)

These two programmes replace the old Section 64 General Scheme of grants for both Project and Core grants.

Other third sector funding streams from the Department of Health include:

### **Social Enterprise Investment Fund**

The Social Enterprise Investment Fund (SEIF) is managed by Community Health Partnerships on behalf of the Social Enterprise Unit in the Department of Health. Closing date for applications is 5pm on 31 July 2008. More information is available from [www.dh.gov.uk/socialenterprise](http://www.dh.gov.uk/socialenterprise)

### **Opportunities for Volunteering**

The Opportunities for Volunteering (OFV) scheme is managed by Volunteering England on behalf of the Third Sector Partnership Team in the Department of Health. Applications are through 16 National Agents and closing dates may vary. More information is available from [www.volunteering.org.uk/WhatWeDo](http://www.volunteering.org.uk/WhatWeDo) The OFV scheme will be replaced by a volunteering investment fund from 2010-11 under the Third Sector Investment Programme.

# Innovation Excellence and Service Development Fund

## Is your organisation eligible to apply?

Voluntary organisations must meet the criteria set out in Section 64 of the Health Services and Public Health Act 1968 to be eligible to receive a grant under the third sector investment programme. The 1968 Act gives the Secretary of State for Health the power to make grants to certain voluntary organisations in England whose activities support the Department of Health's policy priorities. Organisations must meet the following legal requirements (which are a summary of the criteria in Section 64 and do not represent a complete description of the law):

- Your organisation must be carrying out activities that involve:
  - “... providing a service similar to a service provided by the National Health service or by local authority social services, promoting, publicising or providing advice concerning the provision of either a National Health or local authority social service or a similar service.”
- A ‘relevant service’ is defined in the 1968 Act and means;
  - “a service which must or may, by virtue of the relevant legislation, be provided or the provision of which must or may, by virtue of that legislation, be secured by the Secretary of State or a number of other public authorities, or a service for the provision of which a Primary Care Trust or other health service body under Part 2 of the National Health Service Act 2006 are under a duty (by virtue of Part 2 of the 2006 Act) to make arrangements; and
- A ‘voluntary organisation’ is defined in the 1968 Act as:
  - “... a body the activities of which are carried on otherwise than for profit, but does not include any public or local authority.”

In addition to the legal requirements in section 64 of the 1968 Act, the following eligibility criteria also apply to voluntary organisations applying to the Innovation Excellence and Service Development Fund:

- Your organisation must work in England. The devolved administrations of Scotland, Wales and Northern Ireland have their own arrangements.
- Your organisation should be a corporate body or have a formal constitution if not incorporated. A corporate body would have a Board of Trustees or Directors. An unincorporated association would have a management committee.

- If your organisation has charitable objects, and registration is required, the organisation must be registered with the Charity Commission. See [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk) for information about charity registration. Exempt or Excepted charities and those with income below a set level may not have to register.
- Your organisation must have an Equal Opportunities Policy and Health & Safety Policy.

## Is your proposed project eligible?

A voluntary organisation submitting a project will be eligible for investment from the Fund if the proposed activities:

- have, or have the potential to have, a national impact. This means projects with a purely local impact will not be considered. To have a national impact, a project should be able to make a difference to the health and wellbeing of people across England. A locally based project can be said to have potential for national impact if it is trying out innovative solutions for services that have not been tried before and the learning / good practice can be shared or replicated to other areas of the country; and
- include equalities issues as an integral aspect; and
- contribute to the Department of Health's strategic objectives:
  - **Better health and well-being for all:** helping people stay healthy and well, empowering people to live independently, and tackling health inequalities.
  - **Better care for all:** the best possible health and social care, offering safe and effective care, when and where people need help, and empowering you in your choices.
  - **Better value for all:** Delivering affordable, efficient and sustainable services, contributing to the wider economy and the nation.

The following types of project proposals are not eligible for investment through the Fund:

- Activities not permitted under your organisation's Objects.
- Local delivery of an existing service that is the responsibility of local commissioners to commission based on local needs assessments.
- Proposals that duplicate existing initiatives or activities.
- Routine ongoing costs of website maintenance / telephone helplines.
- Party political activities.
- Fundraising.

- Research projects. Research is defined for this purpose as ‘creative work carried out systematically to increase knowledge’. If you are unsure if your proposed project would be included in this definition please contact us.
- Proposals for the Innovation and Excellence strands where funding sought exceeds 25% of your annual income (based on your most recent available final accounts). For the Service Development strand we will look at each application on its merits. Proposals where the funding sought exceeds 25% of your annual income (based on your most recent available final accounts). If your proposal exceeds this amount, you should contact us to discuss this. There may be exceptional circumstances where we will consider the potential benefit and impact of the proposal. If your application is for more than 25% of your organisations turnover, you should contact us to discuss this in more detail.

If your organisation meets the legal requirements and eligibility criteria and your project proposal is eligible for investment from the Fund you should now look at which of the three funding strands – Innovation, Excellence or Service Development – it is most appropriate to apply under.

## Funding strands

### Funding Strand 1: Innovation

Projects that demonstrate an innovative approach to the delivery of health and social care provision under any of the Department of Health policy areas. Projects would need to demonstrate:

- The health and / or social care issue the project will seek to address and the outcomes to be achieved
- Evidence of knowledge of existing services and in what way they fail to achieve the outcomes currently
- A strong evaluation methodology and plans to disseminate the learning from the project and/or a strategy to replicate successful practice.
- A sustainability strategy demonstrating how the project will be continued after the end of the grant funding period. For local projects with potential for national impact we would expect to see links to local health and social care commissioners either at the application stage or within the first year of the project's development and/or links with national bodies that could support sustainability and replicability.
- Value for money.

One of the outcomes of the review is that third sector organisations need / want support with the evaluation of funded projects. We are working to identify ways in which we can achieve this. Projects funded under this year's scheme would be included in future evaluation and learning plans but this will not replace the requirement to have a strong evaluation strategy in place.

## Funding Strand 2: Excellence

Existing projects or activities that have proved they can successfully and effectively deliver improved outcomes and could be called 'excellent'. This strand of funding would support dissemination of learning from these 'excellent' projects and support wider application. Projects would need to demonstrate:

- Evidence of the quality of the provision / service and the potential for wider application. This should be demonstrated by robust evaluation of the development stage of the service.
- Evidence of improved outcomes already achieved for project / service beneficiaries
- Demonstrable links to health needs assessments or joint strategic needs assessments (JSNA) or commissioning frameworks in localities where the project is delivered / intended to be rolled out
- A systematic dissemination / learning methodology that demonstrates how the learning from excellence can be shared with, and be of benefit to, other providers / organisations including how the provision could be replicated.
- A sustainability strategy, for successful local projects, links to local health and social care commissioners either at the application stage or within the first year of the project's development and/or links with national bodies that could support sustainability and replicability
- Value for money.

### Funding Strand 3: Service Development

Proposals that:

- Support capacity in the sector to develop improved health and social care services
- Support development of strategic capacity in the sector to enable its organisations to contribute their expertise to the development of improved health and social care services, or
- Promote greater partnership working between health and social care organisations and the third sector.

Applications under this strand should detail the activities to be undertaken to increase the capacity of the organisation to sustain services without future reliance on central government funding. Projects would need to demonstrate:

- A robust business plan that clearly shows how the service or organisation could be developed, aligned with social enterprise principles, to achieve long term sustainability
- Evidence of how the service / provision contributes to DH strategic objectives and achieving outcomes for people identified in local commissioning plans / needs assessments
- Evidence of need for the service and outcomes to be achieved
- Impact – the effect of not having the service / provision on individuals and their families
- Value for money.

We would expect applications under this strand to develop new providers at pre-investment stage or develop organisation's capacity and sustainability to maintain services / provision whilst reducing dependency on central government funding.

## Cross-cutting funding themes

Once you have decided on the most appropriate strand to apply under, the next step is to look at the cross-cutting funding themes. A project proposal should demonstrate how it contributes to one or more of the following themes:

- Information, advice and advocacy
- Personalisation, dignity and carer support
- Community / user participation and peer support
- Prevention / early intervention
- Reducing health inequalities

All proposals should demonstrate how they contribute to one or more of the following cross-cutting themes. You will need the reference in brackets e.g. (IESD1) when you complete the on-line application:

### **1. Information, advice and advocacy (IESD1)**

Preference will be given to proposals:

- from organisations providing advocacy services who are proposing to work with their local commissioners to develop standards, quality audits or evaluations in their local area; or
- that encourage the uptake of direct payments, personal budgets and self-directed support; or
- that provide emotional support for individuals or carers; or
- that improve access to services by those groups who are marginalised; or
- that provide advocacy, information, support and advice in the following areas: infectious diseases (such as TB and blood-borne viruses), immunisation and environmental hazards that impact on people's health.

For proposals involving the production of information see 'Costing the project proposal' and 'Other issues to consider' sections for requirements on Information Accreditation and Information Prescriptions.

## **2. Personalisation, dignity and carer support (IESD2)**

Proposals that support the greater personalisation of health and social care and promote the right to dignity. Preference will be given to proposals that:

- enable people to live more independently; or
- prevent or alleviate isolation; or
- challenge / reduce stigma and discrimination; or
- involve individuals in developing services; or
- are focussed on socially excluded groups; or
- enable people to live and die in the place of their choice.

## **3. Community / user participation and peer support (IESD3)**

Proposals that encourage community participation to support and enable improved health, wellbeing and social inclusion. Preference will be given to proposals that:

- develop sustainable volunteering programmes that increase the quantity and quality of volunteering opportunities in health and social care; or
- improve access to community participation as part of a rehabilitation or health promotion and wellbeing strategy; or
- encourage further activity / promoting good practice in health and work at a local and regional level.

## **4. Prevention / early intervention (IESD4)**

Proposals that develop approaches to support and sustain positive health behaviours to improve health and wellbeing outcomes. Preference will be given to proposals that:

- focus on lifestyle choices that impact on health and wellbeing; or
- raise public awareness of cancer or vascular risk factors such as smoking, obesity, alcohol; and awareness of cancer symptoms to encourage people to seek help earlier when they have symptoms; or

- improve access to services in areas, e.g. sexual health, where stigma and discrimination has previously mitigated against this

## 5. Reducing health inequalities (IESD5)

Proposals that tackle health inequalities specifically, not just improve health and wellbeing outcomes. Preference will be given to proposals that support delivery of the national inequalities target - to reduce health inequalities in infant mortality and life expectancy in areas facing the biggest challenge in reducing infant mortality in the routine and manual groups, and/or in Spearhead areas (the areas with the worst health and deprivation indicators)

Priorities for action include:

- improving the health of people in 'hard to reach' groups;
- addressing within area inequalities;
- improving service use or effectiveness in groups with high needs;
- addressing lifestyle risk factors that impact most on health inequalities e.g.
  - tobacco use
  - poor nutrition
  - low levels of physical activity
  - alcohol consumption
  - obesity
  - early years work

# The application process

This chapter gives guidance on the application process and timescales.

## What makes a good application?

A good application:

- is focussed with clearly defined objectives and measurable outputs;
- demonstrates national impact, or the potential for national impact;
- clearly describes what benefits the proposal will bring;
- is clear about how the proposal contributes to the Department's strategic objectives;
- is relevant to and addresses the requirements of the funding strand selected;
- demonstrates how it contributes to the funding theme selected;
- has a robust project plan and costing methodology;
- demonstrates meaningful arrangements for partnership working;
- has a realistic sustainability strategy;
- has clear evaluation and dissemination strategies; and
- demonstrates how it will ensure equalities issues are an integral part of the project.

## How do I apply?

Applications to the Fund follow a two stage process. Outline proposals are submitted at Stage 1 and successful applicants invited to submit a detailed proposal at Stage 2. Unsuccessful applicants will be provided with feedback based on the criteria and requirements for the strand and theme selected.

Applications are on-line and Stage 1 notifications are sent by email. Please contact us if this is likely to cause a problem for your organisation. Not having internet or email access should not deter you from making an application if your organisation is eligible.

Organisations need to register with us before a new application can be started. This is so you can save any applications in draft and come back to later to complete and submit. If you have an existing registration from last year you can use this. If not you can register through our website at [www.dh.gov.uk/thirdsectorinvestment](http://www.dh.gov.uk/thirdsectorinvestment) You will select your own password as part of the registration so it is important that you keep a note of this. You will be emailed a UserName in the format S64xxxx within one working day.

To start a new application, login to your account and select New Application in the right hand menu. This will open up a blank form with some fields populated with information from your profile when you registered. When completing the form remember to save as draft regularly as

web pages can time out. If you want to print out a copy open the application by clicking on the Application ID and not the edit button. To add to or amend the form always open in edit mode. You can apply under one funding strand in each application. If you want to apply to more than one strand, you should make a separate application under each strand. While we have not put any limits on the number of applications an organisation can make to the Fund you should be aware that making multiple applications does not increase the chances of obtaining funding for your proposal.

## Stage 1 outline proposals

Outline proposals are invited between 21 July and 8 September 2008. Applications must be saved as final by the 8 September 2008. Saving as final automatically submits your application. If your application is not saved as final by 8 September 2008 it will not be accepted.

Applications will be sifted first using the eligibility criteria and those that do not meet the criteria will be rejected. Please note that as we do not ask for final accounts until Stage 2 we will be unable to assess the '25% of income' rule until Stage 2 (see 'Costing the project proposal' on page 22 for more detail). Those applications remaining will be assessed against the criteria set out for the funding strand and the preferences set out for the funding theme selected. Those applications that best meet the criteria and preferences will be progressed to Stage 2.

You should be aware that not all applications that meet the criteria and preferences will be progressed. We are looking for those that best meet the criteria and preferences and this will allow us to take account of duplication between proposals we receive. Where we identify similar proposals from different organisations we will either progress the one(s) that show most potential on the information provided or we may ask you to consider working together with the other organisation on a joint proposal at Stage 2.

Remember that the information we use to sift will be that provided by you on the application form and our knowledge of existing / planned initiatives in that area. If you are aware of similar services you should explain on the form how your proposal complements but does not duplicate similar services.

The Department of Health maintains the right to sift applications using prior knowledge of an organisation's performance / delivery of previous funded projects through the Section 64 General Scheme of Grants. We would only use this in exceptional circumstances where we had doubts based on previous experience about an organisation's capability to deliver a project.

We will provide feedback on all unsuccessful Stage 1 applications linked to the eligibility rules, criteria and preferences. We provide this in a constructive way to enable you to review your proposals so you can see where we felt the strengths and weaknesses were in the application. We will aim to provide feedback for successful applicants too so that the Stage 2 application can be developed more effectively.

## Stage 1 – Questions

The stage one electronic application form is the same for both the Innovation, Excellence and Service Development Fund and the Strategic Partner Programme. Applications under the Innovation, Excellence and Service Development Fund should ensure that the responses given clearly answer each question as fully as possible, relating the responses to the detail set out in this information pack for the Innovation, Excellence and Service Development Fund.

If you want to apply under the Strategic Partner Programme you must complete a separate application and refer to the relevant information pack.

### **Which type of grant are you applying for?**

Mark the box 'Innovation, Excellence and Service Development Fund'

### **Which DH cross-cutting theme would your proposed activities contribute to?**

- Information, advice and advocacy
- Personalisation, dignity and carer support
- Community / user participation and peer support
- Prevention / early intervention
- Reducing health inequalities

You should choose the cross-cutting theme which most clearly fits your proposed activities. Your proposal may cut across all of these themes, you should choose the main theme and then tell us in the text box how you will contribute to the other themes.

### **Please provide a brief summary of your proposal.**

In this box, please tell us what you would use the grant for to achieve the outcomes identified in this information pack. Please be specific about the range of activities you will undertake and why, what will they achieve? This summary should be no more than 60 words. This summary will be used in any reports we produce.

### **What do you intend to achieve with this grant? What will the outcomes be? Please refer to the detail in this information pack.**

Be clear about what your intended outcomes are for the proposed project. Why do these outcomes need to be achieved? Why are you the best organisation to do this?

**If you are applying under the 'Innovation' strand:** Be very clear about your evidence of why your proposal is truly innovative. What is the evidence of the need and gap in current provision? As part of the assessment process we will look for examples of similar activity or practice.

**If you are applying under the 'Excellence' strand:** What is your evidence of the quality of your activity? Be very clear about the outcomes you have already achieved and how your proposal would support wider application of the approach.

**If you are applying under the 'Service Development' strand:**

Be clear about how your proposal will develop sustainable capacity in the sector.

You need to describe how you will use the funding to build long term sustainability. This might include support to engage with commissioners at local or regional levels. If you are working in partnership with other organisations you need to identify which organisations you are working in partnership with and details of the partnership arrangements, we may contact them during the assessment process. At stage 2 you will be asked to provide a robust business plan to support your application.

**What new benefits will this proposal bring? Highlight the benefits and unique selling points of your proposal.**

Use this box to tell us exactly what new benefits your proposal will bring and in what ways your proposal is unique. This may be about your ability to undertake activities in a new way or how you have the ability to reach groups, organisations and communities in a way that Government and other organisations are not able to.

**How will your proposal contribute to the Department of Health objectives and the cross-cutting theme selected?**

Use this space to clearly describe how your proposal will contribute to DH strategic objectives detailed in this information pack.

You should tell us how the activities you propose will contribute to the cross-cutting theme(s). Tell us how you will know you are achieving them – how will you measure your impact.

**Who will be the beneficiaries of the activities funded through this proposal?**

You should identify here which who the beneficiaries of your proposed activities will be. Please be specific and identify how you will ensure reach to those individuals and communities who have less access to health and social care services and how you will address equalities themes in your activities. It is important for you to identify here why it is important and how existing services or activities don't reach these groups.

## Stage 2 detailed proposals

Detailed proposals are invited between 6 October and 14 November 2008. Applications must be saved as final by the 14 November 2008 and include all the necessary detail required to assess the application. Additional or supporting information received after this date will not be accepted and will be treated as not supplied. Saving as final automatically submits your application. We will not accept applications after the closing date.

These deadlines are fixed to be fair to all applicants and to ensure we can start the assessment process on 17 November. Incomplete applications impact on our ability to complete the assessment process as planned.

Applications will be assessed against the criteria set out for the funding strand and the preferences set out for the funding theme selected using the more detailed information supplied on your Stage 2 application form and supporting information provided. If we provided you with feedback on your Stage 1 form we will look at how well the feedback has been addressed in the Stage 2 application.

We will seek expert advice from policy programmes within the Department that are relevant to your proposal. For example, a proposal to develop a support service for women with a learning disability during pregnancy would go for advice to the Valuing People Programme and Children, Families and Maternity team for advice. We may want to seek advice from agencies such as Care Services Improvement Partnership (CSIP) or from other government departments where there are shared interests, for example, proposals related to teenage pregnancy would need advice from the Department for Children, Schools and Families (DCSF). Any applications that are sent outside the Department will be accompanied by a reminder that the proposals are confidential and should not be discussed with others.

In this first year of the Innovation Excellence and Service Development Fund we have not planned to involve any independent third sector organisations in the assessment process. This was a suggestion made during the funding review and we are considering this for future years once the Strategic Partner Programme is established.

Advice will be provided to Ministers on each proposal and how it matches up with the criteria and preferences for Ministers to make the decision to fund or not. You should be aware that not all applications that meet the criteria and preferences will be funded. This is a competitive process for an investment programme with a limited budget and we will be advising Ministers on which proposals best meet the criteria and preferences and will make the biggest impact to the health and wellbeing of people in England.

We will provide feedback on all unsuccessful Stage 2 applications linked to the criteria and preferences. We provide this in a constructive way to enable you to review your proposals so you can see where we felt the strengths and weaknesses were in the application. At Stage 2

all applications were thought to have potential so feedback will cover relative merits of your proposal against others.

## What supporting information do I need to supply?

At Stage 1 we do not require any supporting documentation, we will assess your application only on the information you provide to us on the application form. At Stage 2 you will need to provide:

- For established organisations:
  - 3 year project plan for delivery of your proposal
  - Your last 2 years Annual Report and final accounts
  - Equal Opportunities Policy Statement
  - Health & Safety Policy Statement
  - Staffing structure for the organisation and project
  
- In addition for established organisations applying under the Service Development Strand:
  - Business Plan
  - Copy of Memorandum and Articles of Association or constitution / governing document
  
- For new and recently formed organisations:
  - 3 year project plan for delivery of proposal
  - Business Plan
  - Copy of Memorandum and Articles of Association or constitution / governing document
  - Equal Opportunities Policy Statement
  - Health & Safety Policy Statement
  - Staffing structure for the organisation and project

If you do not have electronic copies of your Annual Report and final accounts but these are available on the Charity Commission website please indicate this on the application form and we will access them from there. If you have electronic copies then attach to the application form before submitting the form.

If you do not have electronic copies and they are not available through the Charity Commission website you should send hard copies to:

Third Sector Funding Hub  
Department of Health  
5E40 Quarry House  
Quarry Hill  
Leeds  
LS2 7UE

## Costing the project proposal

Bids should be realistic and follow the principles of full cost recovery. We do not have a minimum or maximum amount you can apply for but you should be aware that this is a budget limited scheme. In the Section 64 General Scheme of Grants, which was the predecessor to the Fund, the grant fund available for new awards was around £6 million and the average award was under £50,000 per year.

At Stage 1 we do not expect you to have a fully developed project plan with detailed costings and so appreciate that this figure may be an estimate. You can revise the figures at Stage 2 by up to 10% - if more than this you should discuss the revised costings with us.

Don't forget to take account of cost increases for Year 2 and 3 of the project. We will not automatically increase future years in line with inflation.

Proposals under the Innovation and Excellence strands where project costs exceed 25% of your annual income (based on your most recent available final accounts) will not be accepted.

For proposals under the Service Development strand we will look at each application on its merits. If you are a new organisation we will look at the finance forecasts included in your business plan to make this assessment of eligibility. We have introduced this rule because experience has shown that organisations where a single project grant is a high proportion of income may experience difficulty in covering core costs which then has an impact on ability to deliver the project. If there were particular circumstances which mean that the latest accounts are not representative of your current / projected income please explain on the form.

VAT is not payable on these grants as they are generally considered out of scope of VAT as the grant giver (DH) does not receive direct benefit from the grant. The Department of Health cannot advise a grant recipient on whether the activities they will be carrying out with the grant are subject to VAT - the organisation will need to discuss this with HMRC themselves. It could be that while the income (i.e. the grant) is outside the scope of VAT, the activities they are providing may be within scope. If you need to pay VAT on any aspects of the work and it is not recoverable you should include this in the initial costings.

As part of the process of sharing learning with other grant holders and the Department we may want you to attend networking events or presentations throughout the course of the grant. You should plan for travel and related expenditure for up to 12 events over a 3 year grant period and include this in your costings.

Any proposals to produce health & social care information should include plans to become a member of the Information Accreditation Scheme during the lifetime of the project. The costs of accreditation can be included in the financial costing for the project when you apply.

## Other issues to consider

If your proposal is to produce information on Long Term Conditions we would expect to see a commitment for this information to be signposted to via Information Prescriptions on NHS Choices.

You will not be able to use the DH or NHS logo on any material produced through a grant from the Fund. You can use 'Produced with funding support from the Department of Health' or similar. The statement should not imply that the Department of Health has quality assured the Product or that the Department endorses the product. If you are a member of the Information Accreditation Scheme you will be able to use their logo to indicate membership of the scheme.

If you are producing material that has Intellectual Property Rights (IPR) and/or copyright issues you should address this in your application. We may want to discuss this with you.

## Notification of decisions

Stage 1 decisions and feedback will be sent by email to the email address given on your application by Friday 3<sup>rd</sup> October. If you have not received notification by then please contact us. Please let us know if your organisation's email address or main contact changes.

Stage 2 notifications will be by letter to the address on your application form. We aim to send out all notifications by the end of January 2009. We will keep our website updated if this planned date changes and also email applicants with updates. You do not have to start the project on 1 April 2009 but can start later so you have the full 3 months notice to lead into your project start.

## Summary of conditions of the award

If you are successful you will be sent an award letter, which will reflect principles outlined in the Compact funding and procurement code, detailing the full terms and conditions of the grant. Some of the terms you may wish to know in advance are:

- The terms and conditions must be accepted by a board member - Trustee or Director – or the Chair of the management committee if you are an unincorporated association.
- Year 1 is confirmed and year 2 and 3 amounts are provisional offers subject to approval by Parliament in the budget setting process.
- Grants are restricted funds.
- The grant is recoverable if you do not use it for the purposes intended.
- The grant may not be passed to a third party.
- There is no commitment to any funding after the agreed term of the grant.
- The grant must be identified in your accounts as being from the Department of Health.

## Appeals

The Innovation Excellence and Service Development Fund is a discretionary scheme and there is no appeal process on decisions made by Ministers.

This is in line with the Compact Code on Funding paragraph 3.6 "the voluntary and community sector recognises that there are competing demands for public spending and that there may be more organisations applying than money is available. The sector recognises that the final decision is the funder's."

However, we do recognise that, on occasions, applicants may feel that the grant application process has not been followed correctly and wish to raise a concern. We treat these requests as complaints and use the Department of Health Complaints Procedure. The first stage is Informal Resolution where your initial complaint would be handled by the Third Sector Partnership Team. If you are unhappy with their response you can make a formal complaint to the Third Sector Programme Manager and they will investigate and get back to you with their findings:

Third Sector Programme Manager  
Third Sector Grant Funding Hub  
5E40 Quarry House  
Quarry Hill  
Leeds  
LS2 7UE

If you are unhappy with this response then you can take this further within the Department's complaints procedure by writing to the Head of Customer Service:

Veronica Fraser  
Head of Complaints and Public Enquiries  
Customer Service Centre  
Department of Health  
Richmond House  
79 Whitehall  
London  
SW1A 2NS

This is a summary of the Department of Health complaints procedure and full details are available at [www.dh.gov.uk](http://www.dh.gov.uk)

# References & background information

## **Information Accreditation Scheme**

The Information Accreditation Scheme has a pivotal role in improving patient experience in that it will 'kite mark' information producers in order to make it easier for people to make their own judgements about the quality of information to make decisions about their health, health care and social care. As well as supporting people to make more informed choices and take greater control over their own care, the Information Accreditation Scheme will also support information producers, which will lead to improvements in the quality of information. All organisations – public, voluntary, commercial – can apply to become a member of the scheme. The Scheme will be launched in early 2009.

## **Information Prescriptions**

The Department of Health white paper 'Our health, our care, our say' published in January 2006 made a commitment to improving access to appropriate information for people with health or social care needs. It stated, 'We propose that services give all people with long-term health and social care needs and their carers an 'information prescription'.

From 2008, information prescriptions will be offered to everyone with a long-term condition or social care need, in consultation with a health or social care professional. Information prescriptions will guide people to relevant and reliable sources of information to allow them to feel more in control and better able to manage their condition and maintain their independence. Information prescriptions will be nationally recognised as a source of key information on services and care that is seamlessly and formally integrated into the care process.  
(Reference: [www.informationprescription.info](http://www.informationprescription.info))

## **Full cost recovery**

Third sector organisations should aim to recover the full costs of delivering services for public sector bodies, including overhead costs and irrecoverable VAT. Full cost recovery (FCR) entails funded bodies presenting applications for funding on the basis of robust and evidence based calculations of the costs of the funded activity or service. Overhead costs can include accommodation, human resources, utilities, premises maintenance and monitoring requirements. This list is not exhaustive. Such overhead costs need to be both relevant and reasonable.

(Reference: taken from Chapter 5, *Improving financial relationships with the third sector: Guidance to funders and purchasers*, HMT 2006)

## Useful publications

*Funding and Procurement Compact Code of Good Practice*

*Health Inequalities: Progress and Next Steps* (ref 288271), Department of Health 2008

*Choosing Health: Making healthy choices easier.* TSO 2004

*Our health, our care, our say: a new direction for community services.* TSO 2006.

*Carers at the heart of 21<sup>st</sup>-century families and communities.* Department of Health 2008

*Working for a healthier tomorrow* (ref xxxxxx) 2008

*Cancer Reform Strategy* (ref 283524) Department of Health 2007

*Strategic review of Department of Health funding of third sector organisations: consultation document.* (ref 285034) Department of Health 2007

*Towards a strategy to support volunteering in health and social care: Consultation.* (ref 287806) Department of Health 2008

*Single Equality Scheme 2007-10* (ref281892) Department of Health 2007

Other relevant publications can be downloaded from [www.dh.gov.uk/publications](http://www.dh.gov.uk/publications)

# Timetable

21 July 2008	Applications open
8 September 2008	Closing date for Stage 1 applications
3 October 2008	Deadline for Stage 1 notifications
14 November 2008	Closing date for Stage 2 applications
31 January 2009	Stage 2 decisions

# Contact us

**By email:**

[thirdsectorinvestment@dh.gsi.gov.uk](mailto:thirdsectorinvestment@dh.gsi.gov.uk)

**By telephone:**

0113 2545450

**By letter:**

Third Sector Funding Hub  
Department of Health  
5E40 Quarry House  
Quarry Hill  
Leeds  
LS2 7UE