



**Third-sector investment programme  
Innovation Excellence and Service  
Development Fund 2010 to 2011**

Information pack for third-sector organisations

## Third sector

'Third sector' describes the range of organisations which work in the space between what the Government provides and what the private sector provide. These include small local community and voluntary groups, registered charities both large and small, foundations, trusts and the growing number of social enterprises and co-operatives. Third-sector organisations share common characteristics in:

- the social, environmental or cultural aims that they follow;
- their independence from government; and
- the way they invest any money they make to further those aims.

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# Third-sector investment programme

## Innovation Excellence and Service Development Fund 2010 to 2011

Information pack for third-sector organisations

**Prepared by:**

**Third Sector Partnership Team  
Department of Health  
3E60 Quarry House  
Quarry Hill  
Leeds  
LS2 7UE.**

**Phone: 0113 2545450**

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

**Website: [www.dh.gov.uk/thirdsectorinvestment](http://www.dh.gov.uk/thirdsectorinvestment)**

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# Executive summary

This document gives you information about the third-sector investment programme's 'Innovation Excellence and Service Development Fund'. We call this 'the fund' in the rest of the document.

You should read the information carefully as there are changes to the eligibility rules, funding strands and themes for funding from 2010-2011. There are also improvements to the on-line application system building on feedback given in previous years. We will also be providing new guidance to users.

The document will give you information to help you decide if the fund is suitable for your organisation and the activity you want the funding for. It gives details of:

- the funding themes for 2010-2011;
- the areas we will give preference to for each theme; and
- the conditions we use when assessing applications.

We have given a timetable for the whole process from your application through to our decision.

If you need more information, you can contact us by:

- email at [thirdsectorinvestment@dh.gov.uk](mailto:thirdsectorinvestment@dh.gov.uk); or
- phone on 0113 25 45450.

# Department of Health – our main purpose and role

Our purpose is to achieve the following.

- **Better health and well-being for all**

We want to help people stay healthy and well and give them the power to live independently, and to tackle inequalities in health. (By inequalities in health, we mean the differences in people's general state of health as a result of disadvantages linked to background, culture, financial status and so on.)

- **Better care for all**

We want to provide the best possible health and social care, offering safe and effective care, when and where people need help, and giving people the power to make choices.

- **Better value for all**

We want to deliver affordable, efficient and long-term services, contributing to the wider economy and the nation.

We need to work together to achieve this purpose with a range of key partners including: other government departments; the NHS; social-care and other organisations that deliver services to people on the ground, including third-sector organisations, who are among our mainstream partners across the health and social-care system. This central purpose – what we are here for - is a major part of our strategic aims.

We deliver our purpose in the following ways.

- **We will set directions**

We will set the direction for the NHS, for adult social care and public health by developing strategies, policies, laws and regulations and by using resources wisely.

- **We will support delivery**

We will find the best way to support the health and social-care system to deliver improvements for patients and the public.

- **Leading health and well-being for the Government**

We will take the lead in including health and well-being in wider government policy and then including wider public policy in actual health and care services.

- **Answering to Parliament and the public**

We are responsible for looking after large amounts of public money. As a result, we have a responsibility to explain to the public how we are spending their money and what is being achieved as a result.

## Third-sector investment programme for 2010 to 2011

We will make grants under the third-sector investment programme using powers given to us under Section 64 of the Health Services and Public Health Act 1968. This gives the Secretary of State for Health the power to make grants or loans to certain voluntary organisations in England whose activities support our priorities. These organisations must meet the legal requirements of Section 64 to qualify. Under the third-sector investment programme from 2010-2011 the following funds and programmes are available.

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

The 'Innovation Excellence and Service Development Fund' (called 'the fund' in this document) provides funding from one to three years to support projects with a clear focus on supporting and driving forward new ideas, excellence and developments in services in the health and social-care field. We provide information about the fund in this document.

### **Strategic Partner Programme**

The strategic partner programme was set up in 2009 and aims to support the third sector's knowledge and abilities across health and social care by working in partnership with a small number of national third-sector organisations. Of the strategic partners who applied, 11 were successful following a competitive application process to be part of this first phase of the programme. You can find details on the organisations involved on our website at [http://www.dh.gov.uk/en/News/Recentstories/DH\\_098388](http://www.dh.gov.uk/en/News/Recentstories/DH_098388).

The programme has set out two main aims.

- 1 An improved and clear relationship between us and third-sector organisations supporting partnership working where appropriate.
- 2 Increased abilities and knowledge within third-sector organisations so effective relationships can be created between third-sector and government agencies at a regional and local level.

The programme will work across all our policy areas, through the partners, to build a wider understanding of the health and social-care environment so the third sector can become involved in a more informed way.

We will publish details on our website in Autumn 2009 of the arrangements for 2010 to 2013. For more information on the strategic partner programme, please e-mail [strategic.partners@dh.gsi.gov.uk](mailto:strategic.partners@dh.gsi.gov.uk).

Other third-sector funding streams from us are shown below.

### **Social Enterprise Investment Fund**

The Social Enterprise Investment Fund (SEIF) is managed on our behalf by Futurebuilders England, working with Partnerships UK. We announced the latest scheme on 11 June 2009. To ask about an investment and to start the application process, call 0191 269 2276 or visit [www.dh.gov.uk/seif](http://www.dh.gov.uk/seif).

### **Health and Social Care Volunteering Fund**

We are in the middle of appointing an organisation to manage and deliver a new Health and Social Care Volunteering Fund in England, which will replace the existing Opportunities for Volunteering (OFV) scheme. The manager of this new fund will provide local and national grants to health and social-care projects in the third sector and will be responsible for organisations learning about development, capacity building and support. We will begin awarding grants from April 2010. You will be able to find more information about the Health and Social Care Volunteering Fund on our website towards the end of the year. (The existing OFV scheme National Agents [the National Agents are 16 third-sector organisations who manage the OFV scheme] have now completed the final applications round in 2009 to 2010. The OFV scheme is now effectively closed in its current form.)

# Innovation Excellence and Service Development Fund

## What's new for 2010 to 2011?

You should read the whole information pack first to get the best view of what you need. Some major changes for 2010 to 2011 are shown below.

- You can send in only one application for each strand. (See page 11.)
- You cannot apply for funding for capital projects (building work). (See page 12.)
- You cannot apply for funding to cover ongoing costs related to hard copies of materials (for example, reprints, updates and so on). (See page 11.)
- We will offer one year of development funding to help you improve your business model to respond to the changing environment in the way health and social-care services are funded. (See page 16)
- We have the updated themes and preferences to reflect changing priorities for health and well-being. (See pages 18 to 16.)
- We have made the differences between the funding strands clearer to help you target your application better. (See pages 13 to 17.)
- We now have a new on-line application system to help you apply and so we can better manage how we award funding.

## Are you eligible to apply?

You must meet the conditions 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. You must meet the following legal requirements (which are a summary of the criteria in Section 64 and not 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 to do with providing 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, under relevant law, be provided or arranged by the Secretary of State or a number of other public authorities”. Or, it is a service a primary care trust or other health service body under Part 2 of the National Health Service Act 2006 are under a duty to make arrangements to provide.
- A ‘voluntary organisation’ is defined in the 1968 Act as:

“... an organisation which carries out activities but not for profit, but does not include any public or local authority”.

As well as the legal requirements in Section 64 of the 1968 Act, the following eligibility conditions also apply if you want to apply to the fund.

- Your organisation must work in England. Scotland, Wales and Northern Ireland have their own arrangements.
- Your organisation should be a corporation or have a formal constitution if it is not incorporated. A corporation would have a board of trustees or directors. An unincorporated association would have a management committee.
- If your organisation has charitable aims, and you need to be registered, 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 and safety policy.

## Is your proposed project eligible?

You can send us one application for each strand. If you send in more than one application for each strand, we will ask you to rank your applications and withdraw the lowest ranked application. If you work with other organisations to put in joint bids, we would not count the joint bid against the 'one per strand' limit.

You will be eligible for investment from the fund if the proposed activities meet the following conditions.

- Have, or plan to have, an effect nationally. This means we will not consider projects with a purely local effect. To have a national impact, a project should be able to make a difference to the health and well-being of people across England. A locally based project can be said to have the potential for making an effect nationally if it is trying out new solutions for services that have not been tried before and the learning or good practice can be shared or copied in other areas of the country.
- Equal opportunities must be a central part of all activities.
- The activities must also contribute to our aims, as shown below.

**Better health and well-being for all** – helping people stay healthy and well, giving people the power to live independently, and tackling inequalities in health. (By inequalities in health, we mean the differences in people's general state of health as a result of disadvantages linked to background, culture, financial status and so on.)

- **Better care for all** – the best possible health and social care, offering safe and effective care, when and where people need help, and giving them the power to choose.
- **Better value for all** – delivering affordable, efficient and long-term services, contributing to the wider economy and the nation.

The following types of proposals for your project are not eligible for investment through the fund.

- Activities which are not allowed under your organisation's aims.
- Delivering an existing service locally that is the responsibility of local organisations to arrange and pay for based on an assessment of local needs.
- Proposals that just copy existing initiatives or activities.

- Routine ongoing, updating or maintenance costs of websites and other electronic communications, phone helplines and hard copies of materials.
- Party political activities.
- Fundraising.
- Research projects. Research is defined for this purpose as 'creative work carried out to increase knowledge'. If you are not sure if your proposed project would be included in this definition, please contact us.
- Capital projects, for example, buildings, refurbishment and transport. Your proposal can include up to £5000 of capital spending for equipment.
- Proposals for the innovation and excellence strands where the funding you want each year is more than 25% of your yearly income (based on your most recent available final accounts). For the service development strand, we will look at each application on its merits.

If your organisation meets the legal requirements and is eligible, 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

We are looking to support (new and creative) approaches to improve people's health and well-being by developing health and social-care services both at local and national level. You should choose the innovation strand if your project:

- is a new approach to improving people's health and well-being;
- aims to develop a new way of delivering health or social-care services at local or national level; and
- **has not** been evaluated to see how effective or relevant it is to other areas in England.

At stage 1, your proposals would need to show:

- the health or social-care issue your project will aim to tackle;
- how you would use the grant to tackle the issue you have identified;
- the aims you want to achieve and how you plan to learn from your work; and
- who will benefit from the project, including the role of volunteers, and the effect on people and health and social-care services.

After stage 2, your proposals (if we take them forward) would need to show:

- evidence of your knowledge of existing services and in what way they currently fail to achieve their aims;
- that equal opportunities are a central part of the project;
- a strong methodology for your evaluation or a framework for learning and plans to pass on the learning from the project or a strategy to copy or improve on successful practice;
- a sustainability strategy showing how the project would be continued after the end of the grant funding period if it is successful (for local projects which have the potential to have an effect nationally, we would expect to see links to organisations which arrange and pay for local health and social-care services either at the application stage or within the first year of the project's development or to show links with national organisations that could support long-term delivery or improvement);
- a realistic project plan to achieve the outcomes you expect; and

- value for money.

We are working to identify ways in which we can provide support to evaluate funded projects. We will include projects funded under this year's scheme in any future evaluation and learning plans. However, this will not replace the requirement to have a strong evaluation strategy in place.

## Funding strand 2 – Excellence

We are looking to support organisations which share learning and which deliver, across England, effective practice and proven models of health and social-care services. Choose the excellence strand if your project:

- aims to actively share effective practice or copy a proven model of delivering health or social-care services across England; and
- **has** been evaluated to test how effective or relevant it is in other areas in England.

At stage 1, your proposals would need to show:

- the health or social-care issue your project will aim to tackle;
- how you would use the grant to tackle the issue you have identified;
- the aims you want to achieve; and
- who will benefit from the project, including the role of volunteers, and the effect on people and health and social-care services.

At stage 2, your proposals (if we take them forward) would need to show the following.

- Evidence of the quality of the service provided and the potential for introducing the service in further areas (as proven using research and evaluation of the development stage of the service).
- That equal opportunities are a central part of the project.
- Evidence of improvements already achieved for those who will benefit from your project.

Clear links to health-needs assessments or joint strategic needs assessments (JSNA) areas where the project will be delivered, or commissioning frameworks.

In terms of a **joint strategic needs assessment (JSNA)**, a duty was placed on local authorities and PCTs from 1 April 2008 to:

understand the current and future health and wellbeing needs of the local population to help develop local area agreements and aid planning; and

fund services that will achieve better health and wellbeing outcomes and reduce inequalities.

**Details on commissioning frameworks for health and wellbeing** were published in March 2007 setting the framework for funding services which promote physical and mental health and wellbeing. The details highlighted the important role that the third sector can play in effectively involving socially excluded groups and providing new local services that existing providers may be unwilling or unable to provide.

- A clear system of learning that shows how learning can be shared with, and be of benefit to, other providers and organisations.
- A long-term strategy, for successful local projects, which links to local organisations which arrange and pay for health and social-care services either at the application stage or within the first year of the project's development or links with national organisations that could support long-term aims.
- A realistic project plan to achieve the results you expect.
- Value for money.

### **Funding strand 3 – Service Development**

We are looking to support third-sector organisations to develop improved health and social-care services and to promote greater partnership working between third-sector organisations and health and social-care organisations. Choose the service development strand if:

- your project supports working with local organisations which arrange and pay for services to develop partnership approaches to improving health and social-care services;
- your project promotes greater partnership working, including developing models of delivery that are more efficient over the long term;
- your project aims to develop your organisation's business model so you are more self-reliant and need less government funding (this development funding is only available if you previously received Section 64 core funding that ended in 2009 or is due to end in 2010);

- you are a small national organisation who want one year of development funding to develop a better business model or to produce plans to merge with similar organisations (the plans should include developing knowledge of how commissioning and managing systems work and how you could develop or change your business model to respond); or
- you develop organisational business models that can respond to and engage with the personalisation of health and social care including marketing & financial models and the development of business models that support and strengthen community capital and social enterprise at local level.

At stage 1, your proposals would need to show:

- the health or social-care issue your project will aim to tackle;
- how you would use the grant to tackle the issue you have identified;
- the results you want to achieve; and
- who will benefit from the project, including the role of volunteers, and the effect on people and health and social-care services.

At stage 2, your proposals (if we take them forward) would need to show:

- evidence of how the proposal contributes to improving the voluntary sector, the need for the service and how the proposal contributes to our aims;
- that equal opportunities are a central part of the project;
- how the project will be monitored and evaluated so you know your approach is effective;
- a strong business plan that clearly shows how you could develop the service or organisation and which is matched with principles of social enterprise<sup>2</sup> to achieve a long-term benefit for health and social-care services; the effect on individuals, their families and the community of not having the service; and

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<sup>2</sup> **Social enterprise** – a business with mainly social aims where any money made is mainly reinvested for those aims. It is not driven by the need to make the most profit for shareholders and owners.

The Government's vision for changes in health and social-care services includes developing an environment where new kinds of organisations can emerge, including social enterprises, which will give patients more choice and better-quality services.

We expect social enterprises to provide:

- improved health and social-care services;
- the ability to meet the needs of a particular client group;
- staff who are more involved in the business and services they provide;
- expert knowledge in certain areas; and
- wider benefits to those groups who are traditionally harder to reach.

- value for money and the possible return on the investment (in social terms).[By this we mean the social return on investment that would measure the indirect costs] [For example, this could be a project to improve sexual health for which there are direct outcomes in other words, the better sexual health of individuals in X community] – If you employ local staff and volunteers, refer people through other support services, reinvest any profit or surplus in the community, this would all contribute to your social return].

## 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. Your proposal should show how it contributes to one or more of the following themes.

- Information, advice, advocacy and support
- Personalisation and dignity
- Community and user involvement and peer support
- Promoting, supporting and maintaining positive behaviour in terms of health
- Reducing inequalities in health

We describe these in more detail on the following pages.

## Theme 1 – information, advice, advocacy and support

We will give preference to proposals that do the following.

- Proposals that improve the quality and innovation of advocacy services across health and social care. We are also interested in identifying good practice in advocacy in terms of protecting adults financially. (See contact 1 below.)
- Proposals that improve access to mental-health and sexual-health and HIV services by those groups who face social exclusion, or where stigma and discrimination has previously prevented them from getting access. (See contact 2 below.)
- Proposals that set up ways of improving access to services for TB and blood-borne viruses for ‘seldom seen, seldom heard’ groups (in other words, those which are hard to reach). (See contact 3 below.)
- Proposals that improve access to health and social care for war veterans. (See contact 4 below.)
- Proposals that support disadvantaged and vulnerable groups so they can use maternity services at an early stage. (See contact 5 below.)
- Proposals that support children to be safe. (See contact 6 below.)
- Proposals that support the health and well-being of survivors and victims of domestic and sexual abuse. (See contact 7 below.)
- Proposals that provide emotional support for carers. Proposals should work alongside, but not copy the work of, Carers Direct. (See contact 8 below.)

For proposals which involve producing information see ‘Costing the project proposal’ and ‘Other issues to consider’ sections for conditions to do with information accreditation and information prescriptions.

## Contacts

- 1 [lucy.bonnerjea@dh.gsi.gov.uk](mailto:lucy.bonnerjea@dh.gsi.gov.uk) (social care - dignity and quality)
- 2 [matthew.o'dwyer@dh.gsi.gov.uk](mailto:matthew.o'dwyer@dh.gsi.gov.uk) (HIV) or [desmond.behan@dh.gsi.gov.uk](mailto:desmond.behan@dh.gsi.gov.uk) or [kierran.horner@dh.gsi.gov.uk](mailto:kierran.horner@dh.gsi.gov.uk) (mental health)
- 3 [gerry.robby@dh.gsi.gov.uk](mailto:gerry.robby@dh.gsi.gov.uk) (blood-borne viruses) or [ed.david@dh.gsi.gov.uk](mailto:ed.david@dh.gsi.gov.uk)(TB)
- 4 [dave.rutter@dh.gsi.gov.uk](mailto:dave.rutter@dh.gsi.gov.uk) (stakeholder and partner relations)
- 5 [paul.hughes@dh.gsi.gov.uk](mailto:paul.hughes@dh.gsi.gov.uk) (families and maternity)  
[jennie.mullins@dh.gsi.gov.uk](mailto:jennie.mullins@dh.gsi.gov.uk) (healthy child programme)
- 6 [jennie.mullins@dh.gsi.gov.uk](mailto:jennie.mullins@dh.gsi.gov.uk) (health child programme)
- 7 [gail.elkington@dh.gsi.gov.uk](mailto:gail.elkington@dh.gsi.gov.uk) (social care – policy and innovation)

## Theme 2 – personalisation and dignity

This focuses on proposals that make health and social-care services more personal and promote the right to dignity. We give preference to proposals that do the following.

- Proposals that help to combine health and social-care services and that include strong proposals on measuring how effective the approach is. (See contact 1 below.)
- Proposals that encourage and support people to make the most of available tools (such as personal budgets, personal care plans and so on) to have greater choice and control, particularly personal budgets, and personal health budgets in areas where they are being tested. (See contact 2 below.)
- Proposals that challenge or reduce stigma and discrimination for elderly people and people with dementia, autism or learning difficulties. (See contact 3 below.)
- Proposals that support people's choice to be cared for, and die, at home. (See contact 4 below.)

## Contacts

- 1 [keziah.halliday@dh.gsi.gov.uk](mailto:keziah.halliday@dh.gsi.gov.uk) (commissioning)
- 2 [nicola.watt@dh.gsi.gov.uk](mailto:nicola.watt@dh.gsi.gov.uk) or [john.crook@dh.gsi.gov.uk](mailto:john.crook@dh.gsi.gov.uk) (social care - policy and innovation)
- 3 [scpi-piil@dh.gsi.gov.uk](mailto:scpi-piil@dh.gsi.gov.uk) (social care - independent living)
- 4 [debra.young@dh.gsi.gov.uk](mailto:debra.young@dh.gsi.gov.uk) (cancer)

### Theme 3 – community and user involvement and peer support

This deals with proposals that encourage community and user involvement to support improved health, well-being and social inclusion (those groups which are hard to reach). We will give preference to proposals that do the following.

- Proposals that develop long-term volunteering programmes, including developing best practice when recruiting volunteers and effective methods for keeping them, that increase the quantity and quality of volunteering opportunities in health and social care. (See contact 1 below.)
- Proposals that reduce obstacles to volunteering, including involving volunteers from faith groups, elderly people, young volunteers, people with disabilities and people with special needs. (See contact 1 below.)
- Proposals that improve access to community involvement or volunteering (including service-user volunteering) as part of a strategy aimed at rehabilitation promoting health or well-being or getting people back to work. (See contact 2, below.)
- Proposals that supports the effective involvement of volunteers by organisations which fund health and social care, supporting the development of best practice and involving individuals and communities in identifying needs and developing and shaping services (See contact 1 below)
- Proposals that help organisations which arrange and pay for services to understand how service delivery that involves volunteers can help improve social value and achieve aims. (By social value we mean the indirect benefit that a project might achieve, such as by employing local people.) (See contact 1 below.)
- Proposals that develop the role of volunteering and the role of user-led organisations in a personalised health and social-care system. (See contact 3 below.)
- Proposals that develop new ways of building community capital [an activity or service, for example, where employing local people contributes to the local communities and increases local skills and economic activity] and develops social enterprises in the area of personal budgets. (See contact 4 below.)

### Contacts

- 1 [volunteeringstrategy@dh.gsi.gov.uk](mailto:volunteeringstrategy@dh.gsi.gov.uk)
- 2 [desmond.behan@dh.gsi.gov.uk](mailto:desmond.behan@dh.gsi.gov.uk) or [kierran.horner@dh.gsi.gov.uk](mailto:kierran.horner@dh.gsi.gov.uk) (mental health/new horizons)

- 3 [scpi-piil@dh.gsi.gov.uk](mailto:scpi-piil@dh.gsi.gov.uk) (social care - independent living)
- 4 [john.crook@dh.gsi.gov.uk](mailto:john.crook@dh.gsi.gov.uk) (social care - policy and innovation)

## Theme 4 – promoting, supporting and maintaining positive behaviour in terms of health

This focuses on proposals that develop approaches to promote, support and maintain positive behaviour to improve health and wellbeing. We will give preference to proposals that do the following.

- Proposals that focus on lifestyle choices that affect health and well-being, particularly the six major goals from High Quality Care for All – obesity, smoking, alcohol, drugs, sexual health and mental health. (See contact 1 below.)
- Proposals that have a clear focus on targeting the most disadvantaged children and young people aged between 11 and 19. Proposals should have an overall focus on prevention issues (including drugs, alcohol, misusing substances, smoking, obesity, sexual health and emotional health) rather than focusing on a single health issue. (See contact 2 below.)
- Proposals that raise public awareness of cancer or diseases of the circulatory system such as smoking and obesity, and awareness of cancer symptoms, to encourage people to get help earlier when they have symptoms. (See contact 3 below.)
- Proposals that raise public awareness of public health issues such as preventing accidents and injury and skin cancer. (See contact 4 below.)
- Proposals that raise public awareness of immunisation among ‘seldom seen, seldom heard’ groups. (See contact 5 below.)
- Proposals that support the emerging ‘New Horizons’ themes of public mental health and mental-health promotion by developing a ‘base of evidence’ of good practice, including supporting costs and benefits. (See contact 6 below.)

### Contacts

- 1 [oliver.smith@dh.gsi.gov.uk](mailto:oliver.smith@dh.gsi.gov.uk) or [mark.freeman@dh.gsi.gov.uk](mailto:mark.freeman@dh.gsi.gov.uk) (offender health)
- 2 [tania.pargeter@dh.gsi.gov.uk](mailto:tania.pargeter@dh.gsi.gov.uk) (children, young people’s health)
- 3 [debra.young@dh.gsi.gov.uk](mailto:debra.young@dh.gsi.gov.uk) (cancer) or [leonard.levy@dh.gsi.gov.uk](mailto:leonard.levy@dh.gsi.gov.uk) (vascular) or [bipasha.mondal@dh.gsi.gov.uk](mailto:bipasha.mondal@dh.gsi.gov.uk) (vascular)
- 4 [publichealth@dh.gsi.gov.uk](mailto:publichealth@dh.gsi.gov.uk)(public health)
- 5 [ray.smith@dh.gsi.gov.uk](mailto:ray.smith@dh.gsi.gov.uk) (immunisation)
- 6 [desmond.behan@dh.gsi.gov.uk](mailto:desmond.behan@dh.gsi.gov.uk)/[kierran.horner@dh.gsi.gov.uk](mailto:kierran.horner@dh.gsi.gov.uk) (mental health/new horizons)

## Theme 5 – reducing inequalities in health

This focuses on proposals that reduce inequalities in health for people living in disadvantaged groups and areas. If your proposal only aims to improve or promote health or well-being or equal opportunities, you should apply under themes 1 to 4.

We will give preference to proposals that help to deliver the national inequalities target, by helping to reduce inequalities in infant deaths. We will do this through work focused on areas with the highest infant death rate for people in routine and manual occupations. This includes, for example, porters, cleaners, sales assistants and call-centre workers and other disadvantaged groups). It also looks at inequalities in life expectancy (through work focused on ‘spearhead’ areas which have the worst health, poor economic social and housing factors and (poverty).

The spearhead group is made up of local-authority areas that are in the bottom fifth nationally for three or more of the following five factors.

- Male life expectancy at birth
- Female life expectancy at birth
- The death rate from cancer in those under age 75
- The death rate from cardiovascular disease in those under age 75
- The index of multiple deprivation average score

The spearhead group is made up of 70 local authority areas that are linked to 62 primary care trusts. It contains over a quarter of the population of England(28%) and 44% of the black and ethnic-minority population of England. As a result, tackling health inequalities is not about just small hard-to-reach groups. It is about major social change.

(See contact 1 below.)

Your priorities for action should include:

- improving the health of people in ‘seldom seen, seldom heard’ groups (or hard-to-reach groups);
- improving the use and effectiveness of services for groups with high levels of need;
- early-years work, which includes tackling lifestyle risk factors for the health of the baby and mother (including before and during pregnancy) in disadvantaged groups, and supporting and promoting breastfeeding for teenage mothers and other mothers from low-income groups; and
- tackling the lifestyle risk factors which have the largest effect on health inequalities, for example:

- tobacco use by adult smokers in the routine and manual group (a social grouping the population is divided into, it is the lowest social and economic group with people in the lowest paid manual jobs), including pregnant women;
- poor nutrition (diet) in disadvantaged groups, including action to improve breastfeeding rates and encourage healthy eating;
- alcohol consumption among the unemployed, lower-income older smokers and the under-aged; and
- obesity among pregnant women.

## Contacts

1 tim.hepburn@dh.gsi.gov.uk

# The application process

This chapter gives guidance on the application process and timescales.

## What makes a good application?

A good application:

- focus on clearly defined aims and measurable outputs;
- proves it will have an effect nationally, or the possibility of it;
- clearly describes what benefits the proposal will bring;
- is clear about how the proposal contributes to our strategic aims;
- is relevant to and tackles the requirements of the funding strand you have chosen;
- shows how it contributes to the funding theme you have chosen;
- has a strong project plan and clear details of costs;
- shows meaningful arrangements for working with others;
- has a realistic strategy for long-term plans;
- has clear evaluation and strategies to pass on what has been learned; and
- shows how you will make sure equal opportunities and human rights are a central part of the project.

## How do I apply?

If you apply to the fund, you need to follow a two-stage process. You will send us an outline proposal at stage 1 and if you are successful, we will invite you to send a detailed proposal to us at stage 2. If you are not successful, we will give you feedback based on the conditions and requirements for the strand and theme you chose.

You must apply online and we let you know the outcome of stage 1 by email. Please contact us if this is likely to cause a problem for your organisation. Not having internet or email access should not put you off making an application if your organisation is eligible.

You will need to register and complete an organisation profile so we can check your eligibility before you can start a new application. We are putting in place a new grants management system for 2010 to 2011 so you will need to register with the new system even if you had previously registered under the old system. If you applied for 2009 to 2010 you can use your existing registration from last year to check your old applications. However, you cannot use it to make applications. We will launch the new system in August and we will provide, at that time, user guidance and an e-learning module to help you use the new system.

## Stage 1 – outline proposals

For the 2010 to 2011 Innovation Excellence and Service Development Fund we will make the information on strands and themes available before we open the online application system. This is to allow you time to plan proposals and discuss with policy teams before sending us an application. To support this, we are providing a template with the application questions on it so you can draft your answers beforehand. This template is not the application form and we will not accept applications sent in using this template. You must send in all applications using the online system. If you have any problems using an online form, please contact us to discuss your needs.

You must send us outline proposals by midnight on **4 September 2009**. Saving as final in our new system does not send us the form. To send it to us you need a separate step. If you do not send us your application by **4 September 2009**, we will not accept it.

We will sort through applications using the eligibility criteria. If you do not meet the criteria, we will reject your application. As we do not ask for final accounts until stage 2, we cannot assess the '25% of income' rule until stage 2 (see 'Costing the project proposal' on page 22 for more details). We will assess the rest of the applications against the stage-1 criteria set out for the funding strand and the preferences set out for the funding theme you have chosen. We will move those applications that best meet the stage-1 criteria and preferences to stage 2.

You should be aware that we do not move all applications that meet the criteria and preferences forward. We are looking for those that best meet the criteria and preferences and this will allow us to take account of any similarities between proposals. If we identify similar proposals from different organisations, we will either move forward the ones 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 assess applications will be what you gave on the application form and our knowledge of existing and planned initiatives in that area. If you know of similar services, you should explain on the form how your proposal adds to but does not just copy similar services.

We can pick applications using our knowledge of your performance and delivery of previous funded projects through the Section 64 General Scheme of Grants. We would only use this in exceptional circumstances if we have doubts based on previous experience about your ability 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 so you can review your proposals and see where we felt the strengths and weaknesses were in your application. We will also aim to provide feedback for successful applicants so that you can develop the stage-2 application more effectively.

## Stage 1 – questions

You can download the template with the questions for stage 1 from the website and there is a copy below. You should make sure that the responses you give clearly answer each question as fully as possible. Relate the responses to the detail set out in this information pack for the Innovation, Excellence and Service Development Fund.

Most answer boxes have a limit of 4000 characters (letters, numbers and spaces). This is about one side of A4. Please use the facilities on your word processing package to count the characters as you will not be able to save text of more than 4000 characters in the online form. The online form cannot count the characters. For the project summary (Q1.f), we are asking you to restrict your summary to 100 words. This is because we will use the summary in publications and need a concise and consistent approach. This paragraph is 103 words to give you an idea of length.

1a Your name

1b If this is a joint or consortium bid, please list all partners here. If you are applying as one organisation, please write 'Does not apply'.

1c What funding strand are you applying for?

- Innovation
- Excellence
- Service development

1d What theme are you applying under?

- Theme 1 – Information, advice, advocacy and support
- Theme 2 – Personalisation and dignity
- Theme 3 – Community and user involvement and peer support
- Theme 4 – Promoting, supporting and maintaining positive behaviour in terms of health
- Theme 5 – Reducing inequalities in health

1e Title of your project

1f Project summary – Describe in no more than 100 words, the project and what it will achieve and who it will benefit.

1g Where will the project activity take place? Please give the address of any site if it applies.

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1h Please enter the amounts you are asking for each year.

Year 1 ----- Year 2 ----- Year 3 -----

## Section B

Why should we fund this project?

2a What health and social-care issue will this project tackle?

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2b How do you propose to use the grant to tackle this issue?

--

2c What will the project aim to achieve?

--

2d Who will benefit from this project? Please describe the effect on people and on health and social-care services.

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From the list below please choose the keywords that best describe who will benefit from the project. You can choose more than one.

- Black and ethnic-minority groups and communities
- People with learning disabilities
- Disabled people
- People with long-term conditions
- People with mental-health conditions
- Men
- Women
- Children or young people
- Elderly people
- Faith groups and communities or those with no religious belief
- Lesbian, gay or bisexual people
- Transgender people
- Carers
- Families and parents
- People experiencing social exclusion
- Groups and communities experiencing health inequalities [By inequalities in health, we mean the differences in people's general state of health as a result of disadvantages linked to background, culture, financial status and so on.]
- Other (please state)

## Stage 2 – detailed proposals

We are asking for detailed proposals between **19 October** and **27 November 2009**. You must send in your application by midnight on **27 November 2009** and include all the details we need to assess your application. We will not accept extra or supporting information received after this date and treat it as if you have not supplied it. We will not accept applications after the closing date.

We have fixed these deadlines to be fair to everyone applying and to make sure we can start the assessment process on **30 November**. Incomplete applications affect our ability to complete the assessment process as planned.

We will assess applications using the conditions set out for the funding strand and the preferences set out for the funding theme you have chosen using the more detailed information on your stage-2 application form and supporting information you have provided. If we gave you feedback on your stage-1 form we will look at how well you have responded to the feedback in the stage-2 application.

We will ask for 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 ask for advice from agencies or from other government departments if there are shared interests. For example, proposals related to teenage pregnancy would need advice from the Department for Children, Schools and Families (DCSF). If we send any applications outside the department, we will also send a reminder that the proposals are confidential and they should not discuss them with others.

We will give advice to ministers on each proposal and how it matches up with our conditions and preferences so ministers can make the decision to fund or not. You should be aware that we do not fund all applications. This is a competitive process for an investment programme with a limited budget. We will be advising ministers on which proposals best meet our conditions and preferences and will have the biggest effect on the health and well-being of people in England.

We will give you feedback if your stage-2 application is not successful. We provide this in a constructive way so you can review your proposals and see where we felt the strengths and weaknesses were in the application. If you get to stage 2, we must have thought your application had potential so the feedback will cover the merits of your proposal against others.

## What supporting information do I need to supply?

At stage 1 we do not need any supporting documents. We will assess your application only on the information you give us on the application form. At stage 2 you will need to provide the following.

- For established organisations, we need:
  - a three-year project plan to deliver your proposal;
  - your last two years' annual report and final accounts;
  - an equal opportunities policy statement;
  - a health and safety policy statement; and
  - details of your staffing structure for the organisation and project.
  
- If you are an established organisation applying under the service development strand, we also need:
  - a business plan; and
  - a copy of your memorandum and articles of association, constitution or other governing document.
  
- For new and recently formed organisations, we need:
  - a three-year project plan to deliver your proposal;
  - a business plan;
  - a copy of your memorandum and articles of association, constitution or other governing document;
  - an equal opportunities policy statement;
  - a health and safety policy statement; and
  - details of your 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 say this on the application form. We will check them from there. If you have electronic copies, attach them to the application form before you send the form to us.

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 Grant Funding Hub  
Department of Health  
3E60 Quarry House  
Quarry Hill  
Leeds LS2 7UE.

## Working out the costs of the project proposal

Your bid should be realistic and follow the principles of recovering the full cost of your project. 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 our last schedule covering the same applications, the grant fund available for new awards was around £6 million and the average award was under £50,000 a year.

At stage 1 we do not expect you to have a fully developed project plan with detailed costings. As a result, we know that this figure may be an estimate. You can change the figures at stage 2 by up to 10%. If you need to change it by more than this, you should discuss the revised costings with us.

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

We will not accept proposals under the innovation and excellence strands, where the project costs are more than 25% of your income each year (based on your most recent available final accounts).

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 you include in your business plan to assess your eligibility. We have introduced this rule because experience has shown us that organisations who receive a single project grant which is a high percentage of their income may experience difficulty in covering core costs which then has an effect on their ability to deliver the project. If there are particular circumstances which mean that your latest accounts do not represent your current or expected income, please explain this on the form.

You do not have to pay VAT on these grants as they are generally considered out of scope of VAT because we do not receive direct benefit from the grant. We cannot give you advice on whether the activities you will be carrying out with the grant will be charged VAT. You will need to discuss this with HM Revenue and Customs. It could be that while the income (the grant) is outside the scope of VAT, the activities you are providing may be charged VAT. If you need to pay VAT on any of the work and you cannot get it back, you should include this in the initial costings.

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

Any proposals to produce health and social-care information should include plans to become a member of The Information Standard during the lifetime of the project. You can include the costs of membership 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 you link this information to Information Prescriptions on the NHS Choices website.

You will not be able to use our or the NHS logo on any material you produce through a grant from the fund. You can use 'Produced with funding support from the Department of Health' or similar. But, the statement should not suggest that we have guaranteed the quality of the product or that we endorse the product. If you are a member of The Information Standard, you will be able to use their logo to show you are a member of the scheme.

If you are producing material that has intellectual property rights (IPR) or copyright issues, you should deal with this in your application. We may want to discuss this with you.

## Giving you our decision

We will send our stage-1 decision and feedback, by email, to the email address given on your application by **Friday 16 October 2009**. If you have not received notice by then, please contact us. Please let us know if your organisation's email address or main contact name changes.

We send decisions about stage 2 by letter to the address on your application form. We aim to send out all notices by the beginning of **March 2010**. We will keep our website updated if this planned date changes. You do not have to start the project on **1 April 2010** but can start later so you have the full three months' notice to lead into your project.

## Summary of conditions of the award

If you are successful, we will send you an award letter showing the full conditions of the grant. Below are some of the conditions you may want to know at this stage.

- 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.
- We confirm the grant for year 1 but the amounts for years 2 and 3 are provisional offers.
- Grants are restricted funds.
- We can make you repay the grant if you do not use it for the purposes intended.
- You cannot pass the grant to anyone else.
- We are not committed to provide any funding after the agreed term of the grant.
- You must identify the grant in your accounts as being from us.

## Summary of monitoring requirements

We need to monitor the grants we provide. As a result we need to see:

- an end-of-year progress report and forward plan for next year, including expected spending;
- an end-of-project report and summary of total spending on the project;
- yearly accounts to show you have identified the grant correctly; and
- you taking part in sharing learning events.

Individual projects will agree specific monitoring and evaluation arrangements with the relevant policy lead at the start of the project. We will expect all projects to take part in our evaluation work.

## Appeals

The Innovation Excellence and Service Development Fund is a discretionary scheme and you cannot appeal against the 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 know that, at times, you may feel that we have not followed the grant application process correctly and you may want to raise a concern. We treat these requests as complaints and use our complaints procedure. The first stage is 'informal resolution' where our Third Sector Partnership Team would handle your complaint. If you are unhappy with their response, you can make a formal complaint to the Third Sector Programme Manager. They will investigate and get back to you with their findings.

Third Sector Programme Manager  
Third Sector Grant Funding Hub  
3E60 Quarry House  
Quarry Hill  
Leeds  
LS2 7UE

If you are unhappy with this response, you can take this further within our 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 our complaints procedure and you can find full details at [www.dh.gov.uk](http://www.dh.gov.uk).

# References and background information

## **The Information Standard**

The Information Standard has a central role in improving patient experiences in that they will 'kite mark' information producers to make it easier for people to decide about the quality of information to make decisions about their health, health care and social care. They also want to support people to make more informed choices and take greater control over their own care. The Information Standard will also support those organisations who produce information, which will lead to improvements in the quality of information. All organisations – public, voluntary, commercial – can apply to become a member.

## **'Information prescriptions'**

Our 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 said, 'We propose that services give all people with long-term health and social-care needs and their carers an 'information prescription'.

From 2008, we will offer information to everyone with a long-term condition or social-care need by consulting a health or social-care professional. These 'information prescriptions' will guide people to relevant and reliable sources of information so they can feel more in control and better able to manage their condition and keep their independence.

Information prescriptions will be nationally recognised as a source of information on services and care that is part of the care process.

(See [www.informationprescription.info](http://www.informationprescription.info))

## **Recovering the full cost of the project**

You should aim to recover the full costs of delivering services for public-sector organisations, including overhead costs and VAT that you cannot recover. This will involve you presenting applications for funding on the basis of strong and evidence-based calculations of the costs of the funded activity or service. Overhead costs can include accommodation, human resources, utilities, maintenance for premises and monitoring requirements. This is not a full list. These 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)

## **Principles of proportionate monitoring and reporting**

The 12 principles of proportionate monitoring and reporting were published on 25 June 2009 by the Office of the Third Sector. See [www.cabinetoffice.gov.uk/third\\_sector](http://www.cabinetoffice.gov.uk/third_sector) for more information.

## 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 (ISBN number 978011 7025134) 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 (ref 281892) Department of Health 2007

You can download other relevant publications from [www.dh.gov.uk/publications](http://www.dh.gov.uk/publications).

# Timetable

13 July 2009	We publish the funding themes
4 September 2009	Closing date for stage-1 applications
16 October 2009	Deadline for stage-1 notices
27 November 2009	Closing date for stage-2 applications
March 2010	Stage-2 decisions

# Contact us

**By email:**

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

**By phone:**

0113 2545450

**By letter:**

Third Sector Grant Funding Hub  
Department of Health  
3E60 Quarry House  
Quarry Hill  
Leeds  
LS2 7UE