

Loans & Grants Scrutiny Review

Proposed Officer Guidance for Issuing of Grants & Loans

A grant can be defined as a contribution or subsidy (in cash or in kind) given by the Council to another organisation for a specified purpose. Grants must be conditional upon the delivery of specified standards or outputs and be subject to the production of regular monitoring reports and the delivery of agreed outcomes.

A loan is a contribution that will be repaid at a specified point and will be charged interest. No loans will be offered or made to any organisation without the specific approval of the s151 officer (Director of CBSS) and any situation where a loan is considered appropriate must be discussed with the relevant finance manager before progressing further.

When deciding whether or not to award a grant the Council must:

- Complete a risk assessment.
- Prepare a brief summary of the reasons for awarding the grant, including the criteria used to make the decision.
- The decision to award a grant must be made by a chief officer and be recorded.
- Ensure it has reviewed the financial position of the organisation receiving the grant. This is to make sure that public subsidy is actually needed and that the funding can not come from alternative sources, such as the organisations own reserves.
- Ensure a service level agreement (SLA) is in place. The SLA must cover the following core items:
 - An overview of how the funding allocated by the Council will be spent
 - How the funding will enable the achievement of the Council's priorities
 - The total amount awarded and over what time periods
 - Any conditions attached to the funding e.g. to be match funded.
 - Arrangements for any repayment should the specified conditions not be met
 - A clear and meaningful summary of the outcomes/outputs that should be delivered as a result of the grant funding.
 - Monitoring arrangements – as a minimum the organisation must report back to a named officer at the Council at least twice a year. This report must cover things such as any activities undertaken to date, outcomes achieved and amounts spent to date
 - When the amount of funding given will be reviewed
 - Arrangements for a final report that sets out the outcomes achieved from the funding given

- The SLA must be fair and reasonable and give a transparent and meaningful summary that can be shared with all stakeholders, including members of the public.
- Confirmation that alternative sources of funding to support the organisation / project have been explored.