

External Funding/Grant Guidance Manual

Summary

- 1 The purpose of this paper is to present to Audit & Governance Committee (A&G) for discussion and comment the draft External Funding/ Grant Guidance Manual (which will form part of the supplementary guidance to the Financial Regulations).

Background

- 2 The council's current Financial Regulations do not contain specific information on best practice for external funding/ grant guidance.
- 3 There is an increasing number of external funding/ grant opportunities that the council is eligible to apply for (see 4. below). These grant schemes have the potential to provide the council with new/additional funding (revenue and/or capital) for services and facilities. Many of the recent grant funds have had very tight timescales (3 months or less) for the development of applications.
- 4 The Grants and Partnership Team in Resources provide a corporate service to identify and assess external funding opportunities and to provide support for those developing and writing funding applications. Recent examples of funding secured by applications written by the Grants and Partnership Team include £3.68m for the Cycling City and £0.98m for the re-development of St Clements Hall. Increasing the number, scope and success of applications means that the implications, potential commitments and liabilities (including grant conditions) of those applications need to be clearly understood and appropriately implemented.
- 5 Item 8 on this A&G agenda (Grant Claim Certification Report 2007/08 - Audit Commission), identifies a number of recommended actions to improve grants claims being made by the council.
- 6 In addition to the above process of increasing funds into the council by means of grant applications to external bodies, the council also distributes a wide variety of grants to organisations and individuals. At

present there are no good practice guidelines for staff that are involved in such processes.

External Funding/Grant Guidance Manual

- 7 In light of the above, there is a need to establish some good practice principles that underpin and improve the way that the council applies for grants, distributes grants and certifies grant expenditure.
- 8 This is the purpose of the External Funding/Grant Guidance Manual (Annex A), which is set out under 4 main sections:
 - Applying for discretionary grant funds from external bodies
 - Certifying/ In receipt of grant allocations
 - Distributing grants to organisations
 - Distributing grants to individuals.
- 9 The External Funding/Grant Guidance Manual will be one of the supplementary guidance documents to the Financial Regulations which this Committee can approve.
- 10 In addition to the Manual, it is the intention that the Grants and Partnership Team will produce an 'operational' handbook for officers in the next 12 months that will further assist them by providing additional background, detail and references. This is particularly important given the wide scope and various processes and definitions of 'external funding' and 'grants'.
- 11 It is expected that the Manual will be amended on a regular basis in light of changes to best practice and to reflect relevant audit report recommendations.

Consultation

- 12 The draft Guidance Manual has been circulated to all finance managers for consultation purposes along with other key officers across the council, including many of those who regularly apply for, or distribute, grants.

Options

- 13 The increasing number and variety of grant applications and processes are likely to increase the council's exposure to a variety of risks, if no action is taken to establish some basic principles, standards and good practice.
- 14 The Audit Commission has made some clear recommendations about actions required to improve performance in processing grants claims.
- 15 This manual seeks to address these two concerns.

Analysis

16 Not applicable to this report.

Corporate priorities

17 The implementation of effective financial control is critical in contributing to the delivery of an 'Effective Organisation' and helps to underpin and support all priorities that form the Corporate Strategy.

Implications

18 a) **Financial** – There are no direct resource requirements arising from the introduction of the Guidance Manual. Indirectly, improvements in practice are intended to: ensure funds are claimed appropriately and on time; increase funds available for facilities and services; lead to better assessment of commitments and potential liabilities; facilitate more effective distribution of grants. In addition, and more directly, it should be noted that failure to appropriately claim grants (either in time or in correct detail), or failure to comply with other critical terms and conditions of external funding could lead to the loss of part or all of the funding.

b) **Human Resources (HR)** - There are no implications.

c) **Equalities** - There are no significant implications other than the implementation of appropriate assessment methods for applications.

d) **Legal** – There are some minor implications, regarding occasional legal advice, for example, assistance with the appropriate wording of grant conditions such as grant reclaim clauses.

e) **Crime and Disorder** - There are no implications.

f) **Information Technology (IT)** - There are no implications.

g) **Property** - There are no implications.

Risk Management

19 The organisation is at some risk if it does not have effective and appropriate standards, guidance and processes for external funding and grants. Within some grant arrangements the council will be the Accountable Body and as such should appropriately discharge its responsibilities to the funding body, implementing proper stewardship of funds and integrity of its procedures.

Recommendations

- 20 Audit & Governance members are asked to comment on and approve the content of the draft External Funding/ Grant Guidance Manual attached to this report at Annex A.

Reason

To ensure that the council implements improvements in external funding and grants applications, claims and distribution processes.

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Report
Approved

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Specialist Implications Officer(s)

Wards Affected

All

For further information please contact the author of the report

Background Papers

None

Annexes

Annex A – External Funding/ Grant Guidance Manual