

## **The Vale of Glamorgan Council**

### **Cabinet Meeting: 18 December, 2017**

#### **Report of the Leader**

#### **External Funding Procedure Review**

##### **Purpose of the Report**

1. To seek Cabinet endorsement of proposals to amend the current approach to approving applications for external funding.

##### **Recommendations**

1. That Cabinet agrees that delegated authority be granted to all Directors in consultation with the relevant Cabinet Member to authorise submission and acceptance of future external funding grant applications and allocations for revenue funding over £75k and to enter into the associated grant terms and conditions.
2. That capital schemes partially or entirely grant funded continue to be reported to Cabinet for inclusion within the Capital Programme.
3. That internal audit undertake a regular sample exercise of funding applications and that a report on grant funding and its use be reported to the Council's Insight Board, Corporate Management Team (CMT) and Cabinet twice a year.
4. That the relevant Financial Procedure Note be updated to reflect the change set out in recommendation 1.

##### **Reasons for the Recommendations**

1. To allow grant funding applications to be submitted and accepted on a timely basis.
2. To include schemes within the Capital Programme in line with the Council's Constitution.
3. To ensure effective oversight of the use of grant funding across all Council directorates is maintained.
4. To reflect the change as set out in recommendation 1.

## **Background**

2. As part of the Reshaping Services Programme a project to consider the Effectiveness of Spend was established. The purpose of the project was to identify changes in the way grants into and out of the Authority are managed.
3. A Stronger Communities Fund was subsequently established to streamline the allocation of grants to external organisations.
4. This report addresses issues around the process of applying for external funding in order to streamline internal procedures.

## **Relevant Issues and Options**

5. The current process for external funding bids for revenue funding over £50,000 (with the exception of transport grants) is that applications must be considered by the External Funding Steering Group (EFSG) and Corporate Management Team (CMT). Funding applications are then approved by the Managing Director in consultation with the Leader.
6. All capital bids regardless of their value must be considered by the External Funding Steering Group (EFSG), Corporate Management Team (CMT) and Cabinet before any external funding is applied for and accepted.
7. Following discussions at Insight Board and CMT, and a recognition that the External Funding procedures were not as responsive as they needed to be in terms of accountability and timelines, it was agreed that the current approach needed to change.
8. The establishment of the Council's Insight Board and the disbanding of a number of corporate working groups including the External Funding Steering Group has led to an interim approach being adopted where all external funding bid applications for revenue funding of £50,000 or above were considered by CMT before being approved by the Managing Director in consultation with the Leader.
9. Discussions have led to an agreement that a new external funding procedure would need to achieve a number of objectives:
  - Ensuring that there is value in pursuing a funding application which may be competitive or accepting a grant allocation e.g. from Welsh Government.
  - Ensuring that all relevant departments and partners are involved in the development of any proposals for the use of external funding
  - Ensuring that risks to the Council are considered and appropriate mitigating actions are put in place
  - Ensuring that applications/acceptances of funding and the associated terms and conditions have been signed off by an appropriate officer or officers
  - Ensuring compliance with financial regulations and other governance procedures
10. The proposed new process takes the different issues into account and reflects the more integrated approach to business planning which is being led by the Council's Insight Board. The proposed new process is a more streamlined approach that enables the progression of bids with oversight from the relevant Director in consultation with the relevant Cabinet Member.

11. The experience of taking external bids to CMT has highlighted the need to ensure effective procedural controls are in place but has also shown that at present there are no concerns about strategic considerations regarding the use of external funding. To alleviate the pressures of taking external funding proposals to CMT meetings it is proposed that Directors have greater oversight of the development of bids as well as approving their submission.
12. The following revised process is proposed :
  - Lead officers will need to assure the appropriate Director that relevant Members and departments including Finance and Legal Services have been consulted. To assist with this a simple standard proforma will be used for revenue bids over £75,000 which will include the identification of any potential risks, exit strategy, match funding issues, consultees and how the proposals will contribute to the Council's Well-being Objectives.
  - Where the bid is being prepared by the Council on behalf of a partnership then the Director will need assurance that the partnership board has approved the content of the bid.
  - The final sign off of the grant application / bid will rest with the appropriate Director in consultation with the relevant Cabinet Member.
  - A grant funding report will be prepared for the Insight Board, CMT and Cabinet twice a year. This would be similar to the collaboration compendium which is also reported to CMT and Cabinet.
  - It is also proposed that as part of the procedural controls, the Council's Internal Audit team review a sample of bids each year and the findings and any recommendations be included in the grant funding report.
13. All Capital schemes whether partially or entirely grant funded would continue to be reported to Cabinet and require Cabinet approval for inclusion in the Capital Programme in line with the Council's Constitution. The new external funding proforma should be completed for all capital bids confirming that the relevant Director and Cabinet Member endorse the funding application.
14. The procedure for acceptance of a grant will not be changed and it will remain that only Directors or Heads of Service can sign on behalf of the Council. This can only take place following the use of delegated authority by the relevant Director, in consultation with the relevant Cabinet Member.

### **Resource Implications (Financial and Employment)**

15. There are no financial implications as a direct result of this report.
16. The external funding framework outlined within the Council's Financial Procedure Note will need to be updated to reflect the new process.

### **Sustainability and Climate Change Implications**

17. The proposed approach is consistent with the five ways of working as detailed in the Well-being of Future Generations Act and the integrated approach to business planning as adopted by the Council. The proforma which will be completed for all revenue bids over £75,000 and for all capital bids will require lead officers to detail how the proposals support the Council's Well-being Objectives which in turn reflect how the Council will contribute to the national well-being goals as detailed within the Well-being of Future Generations Act.

## **Legal Implications (to Include Human Rights Implications)**

18. If the proposed grant utilisation will give rise to procurement of goods or services, engagement with the Procurement Team and Legal Services will be necessary to ensure compliance with Governance procedural requirements.

## **Crime and Disorder Implications**

19. There are no crime and disorder implications arising directly from this report.

## **Equal Opportunities Implications (to include Welsh Language issues)**

20. There are no equal opportunities implications arising directly from this report.

## **Corporate/Service Objectives**

21. The use of grant funding provides additional resource to deliver the range of objectives set out within the Corporate Plan.
22. The need for applications to be considered by the relevant Director and Cabinet Member will allow officers to ensure the use of external funding is aligned to the Council's identified priorities. This will also continue to provide opportunities to identify potential amendments to proposed uses of grant funding to deliver corporate objectives prior to submission of the application.

## **Policy Framework and Budget**

23. This is a matter for Executive decision by Cabinet.

## **Consultation (including Ward Member Consultation)**

24. Officers will continue to consult with the relevant Cabinet/ Ward Member where required, as is currently the case. Cabinet would continue to receive reports on grants concerning Capital schemes.

## **Relevant Scrutiny Committee**

25. Corporate Performance and Resources

## **Background Papers**

Cabinet Report/Minute 7/9/15  
Financial Procedure Note - Grant Funding  
External Funding Framework  
Insight Board Terms of Reference

## **Contact Officer**

Huw Isaac - Head of Performance and Development

## **Officers Consulted**

Corporate Management Team

## **Responsible Officer**

Huw Isaac - Head of Performance and Development