

## **Grant Criteria and Funding Opportunities Guide:**

Procedure and processes to be followed when awarding grants on behalf of Surrey County Council

May 2014

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# 1 Introduction

## 1.1 Key Principles

These Grant Criteria are based on these key principles which underpin this guidance:

- To secure **value for money** through the award of grant funding to achieve strategic outcomes for Surrey residents.
- To be **transparent** to our residents and Voluntary, Community and Faith Sector organisations (VCFS) about how we allocate grant funding
- To make sure we spend public money **legally** and to **protect** us from undue criticism or allegation of wrongdoing.
- To support **sustainability**, and **social value** objectives, and our public sector equality duty, encouraging the VCFS in Surrey.

The Public Services (Social Value) Act 2012 became operational in January 2013 outlining that public authorities are required to consider the following at the pre-procurement stage:

- “how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and
- how, in conducting the process of procurement, it might act with a view to securing that improvement.”

Social Value challenges us to rethink existing specifications and processes and re-examine what it is we are trying to achieve. We want to commission outcomes that can change people’s lives for the better through the building of trust rooted in strong communities, regardless of the route taken to achieving this.

In direct correlation with both the Corporate and Procurement strategies, the following have been identified as key Social Value aspirations for Surrey County Council:

- A strong and competitive local economy
- Community well-being
- An engaged and resilient Voluntary Community and Faith Sector (VCFS)
- Innovative prevention and demand management

## 1.2 Compliance

All Officers, and any external contractors empowered to award grants on behalf of the council, must comply with this guidance at all times. If you breach this, you are breaching the council’s agreed procedures and this will lead to disciplinary action.

Where these criteria appear to conflict with any separate rules the Head of Procurement & Commissioning will determine which takes precedence in conjunction with the Chief Finance Officer where appropriate.

## 1.3 Scope

These grant criteria set out how the Council authorises allocation and spending of grant funding of any type by its officers.

## **1.4 Roles and Responsibilities**

The Head of Procurement & Commissioning is responsible for management of the complete process from beginning of the bidding process through to issuing of the Grant Funding Agreements across all Services and local systems.

Anyone who awards a grant to an external organisation is responsible for:

- (a) following these Criteria
- (b) checking there is adequate budget available
- (c) consulting with and obtaining approval from the Finance Manager and Head of Service
- (d) ensuring grant funding is managed via the existing Council payment processes.
- (e) involving Buying Solutions at the earliest opportunity when a new organisation needs to be set up to ensure prompt payment.
- (f) ensuring Grant Brief details are comprehensive and aligned to strategic objectives and or Commissioning intentions
- (g) ensuring Grant Brief takes into account equality and diversity as well as social value implications, and carrying out Impact Assessments where appropriate
- (h) putting in place effective and appropriate monitoring of the performance of grants
- (i) ensuring all Grant Funding Agreements are aligned with the requirements of the Surrey Compact
- (j) maintain a list of all awarded grants on a Central Grants Register.

All Strategic Grant Processes need to be approved by the Head of Procurement & Commissioning prior to the process commencing.

## **1.5 Transparency**

### **1.5.1 Advertisement of Grant Opportunities**

We advertise all grant opportunities over £10,000 via the Surrey County Council website as well as other media as appropriate. For details of advertising requirements, see the individual procedures outlined in sections 3.2.9

The Council is committed to promoting equality and diversity and welcomes applications from all sectors of the community, regardless of race, gender, disability, sexual orientation, age, status, religion or belief.

### **1.5.2 Freedom of Information**

Under the Freedom of Information Act 2000 (FOIA), we have an obligation to publish specific information in the public domain. However, the FOIA enables certain confidential information and commercially sensitive material to be withheld. We must therefore ensure grant information is kept confidential at all stages, especially during evaluation and after the grants are awarded. Organisations must also be given the opportunity to highlight in their submission any information that they would not wish disclosed under FOIA.

### 1.5.3 Conflict of Interest

The Grant Criteria and Funding processes must be carried out free from any conflict of interest to support our transparency objectives. An 'interest' means any consideration or anything of economic value, including future consideration.

Conflicts of interest can arise when someone who is involved in these processes has a close connection with another party who is also involved which may mean they could influence, or be influenced by, the outcome of a grant award decision.

If you are a council employee you must follow the HR Policy on Conflicts of Interest, ensure they are declared appropriately, and ensure you do not participate in any activity where these conflicts of interest could arise.

Temporary & agency staff, and other consultants or contractors must abide by the terms of their contract with the Council and follow the Council's HR policy on Conflicts of Interest and on Equalities and Diversity.

Officers may be part of a Grant bid as long as the policy has been followed, and any interests declared at the time a Grant Funding Agreement is agreed.

Members must record any and all Conflicts of Interest and ensure they are declared appropriately and should not participate in decisions where such conflicts of interest arise.

Particular conflicts of interest in the award of grants for those serving on evaluation panels are dealt with in section 3.2.7.

Organisations bidding for a grant from the Council are required to declare any conflict of interest.

### 1.6 Who ensures that the Grant Criteria and Processes are followed?

Any breach of these criteria should be reported to the Head of Procurement & Commissioning who will agree the appropriate action to be taken together with relevant senior managers from the service in question.

#### Exceptions to the Grant process

Unless otherwise agreed and approved by the Head of Procurement & Commissioning all grants will follow the procedures set out in this document. No exception to the grant process will be approved retrospectively.

## 2 Is a Grant Process right for your Project/Services?

### 2.1 What is a Grant?

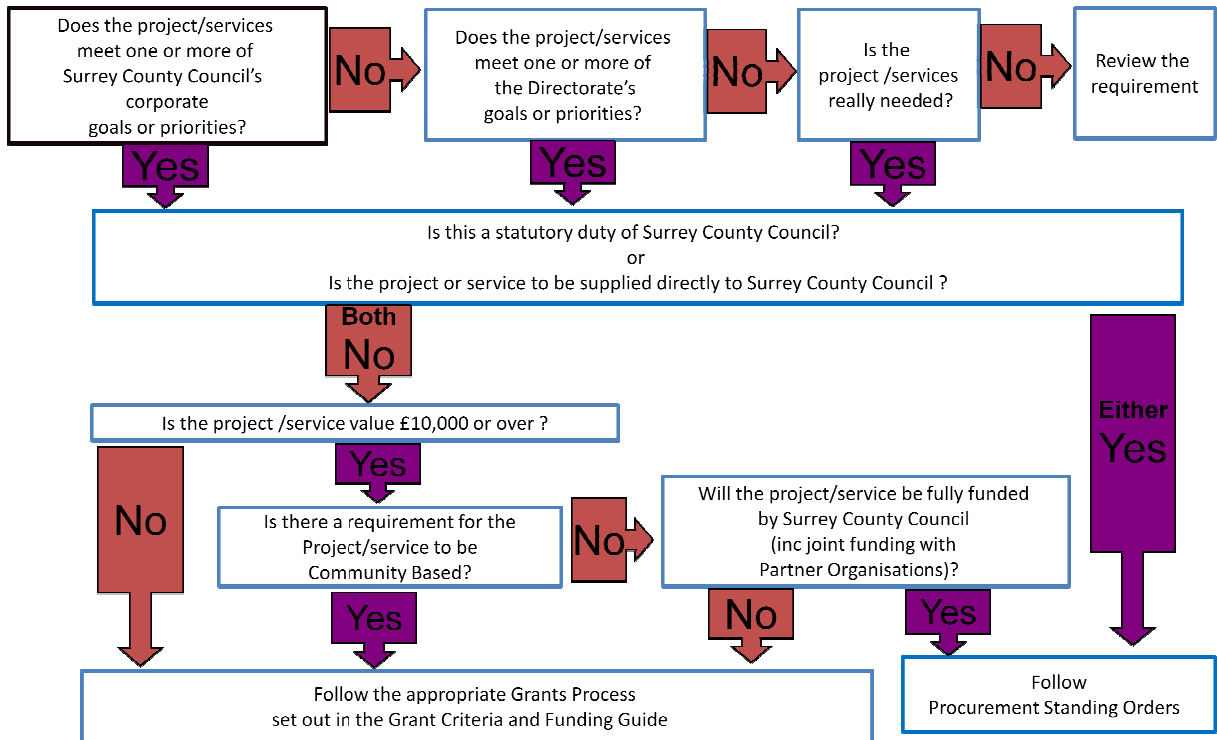
A grant is a sum of money given to an individual or organisation for a specific project or service. A grant usually covers only part of the total costs involved in the project or service.

A grant is usually given on the basis that if it is not used for the purposes for which it is given the funder can ask for all or part of the money back and maybe able to take legal action for breach of the terms of the Grant Agreement for sums paid.

An application for a grant or funding can be made in writing, by submitting a proposal (or submission) to a potential funder, either on the applicant's own initiative or in response to a request for proposal from the funder.

## 2.2 Grant or Tender process?

### 2.2.1 How to decide the most appropriate way to fund the project/service



If you are unsure about the decision you have reached please contact the relevant Category Specialist in Procurement & Commissioning to agree the most appropriate way to continue.

Examples to be confirmed

## 3 Grant Process

### 3.1 Levels of Grant Funding

The grants process has been split into three key streams, defined by value. These are:

#### 1. Small Grant Process

This is for small one off grants for less than £10,000 with a term of up to one year.

#### 2. Standard Grant Process

This is for one-off grants for between £10,000 and £99,999

#### 3. Strategic Grant Process

This is for grants with a value of £100,000 and over, multi-year funding grants and multiple application grant programme (a number of small grants being issued at once) This process will be managed by Procurement & Commissioning.

A summary table in section 3.2.9 sets out these different approaches for each threshold aggregate value, and is followed by more detail on each.

### 3.2 *Small Grants Process*

**Standard Grants Process** Small grants can be issued to an individual or organisation on a one-to-one basis. The requirement being that we only need to receive one grant submission, following an advertisement or unsolicited proposal.

If multiple small grants will be issued in one process then the Strategic Grant process should be used. The commissioner of the grant should ensure that all organisations that offer solutions are considered in order to deliver best value and maximise the benefit for Surrey residents from the funding.

We do not want to create an over reliance on Grant funding so no one organisation should normally receive more than **three** small grants in any one financial year, unless otherwise agreed by the Head of Procurement & Commissioning.

Once a proposal is submitted, the commissioner may negotiate with the organisation around key terms such as the payment structure or value and will propose amendments. Any and all amendments to the submission must be mutually agreed. All amendments must be followed by the resubmission of the written grant submission document.

If amendments cannot be mutually agreed then an alternative solution should be used.

The template bid document for Small Grants is can be found "REFERENCE ON SNET"

### 3.3

The standard grants process is for grants of a value between £10,000 and £99,999, can only be used for one off grants with a maximum term of one year. If a grant has a value of between £10,000 and £99,999 but is spread over more than one year the Strategic Grants Process should be used.

Standard grants can be issued following an advertised process. A minimum of one grant submission will be required.

If multiple standard grants will be issued in one process then the strategic grant process should be used.

The commissioner of the grant should ensure that all organisations that offer a similar offering are made aware of the grant process by advertising the opportunity on the Surrey e-Portal.

We do not want to create an over reliance on grant funding so no one organisation should normally receive more than **two** standard grants in any one financial year unless otherwise agreed by the Head of Procurement & Commissioning.

Once a proposal is submitted, the commissioner may negotiate with the organisation around key terms such as the payment structure or value and will propose amendments. Any and all amendments to the submission must be mutually agreed. All amendments must be followed by the resubmission of the written grant submission document.

For example if the grant budget is £90,000 and you receive four bids of £25,000 each and if each is a valid submission the commissioner would like to support, then the commissioner may ask the organisations to amend and resubmit within a specific budget envelope.

Any changes to the submission, the payment structure or value must be mutually agreed. All modifications or changes must be followed by the resubmission of the bid document.

If modification or changes cannot be mutually agreed than an alternative solution should be used.

The template bid document for standard grants can be found “REFERENCE ON SNET”

### 3.4 Strategic Grants Process

The strategic grants process applies when:

- The total grant funding available has a value of more than £100,000 in total, or
- Grants that have a funding term of more than 12 months. or
- Where more than one grants of lower values (either Small or Standard Grants level) are being issued under a single application process

The *total value* of a grant over its lifetime (including any possible extensions) is the value that determines the approach we must use.

Before starting the strategic grant process the proposal will need to be agreed by the Head of Procurement & Commissioning using the strategic grant approval form.

Strategic Grants will:

- be required to be publically advertised across the county.
- Should involve co-design of the outcomes and the grant briefing document
- need approval from the relevant level i.e. Head of Service and Cabinet depending on the total value of grant portfolio.
- require formal monitoring documents and regular monitoring meetings, as appropriate to the value or significance of the project or service.
- contain a set payment schedule, as appropriate, either quarterly or half yearly.
- Involve public notification of the successful applicants at a specified date.

Longer term planning and financial arrangements often represent better value for money than one year agreements by:

- providing greater financial stability
- building effective capacity
- reducing the amount of time and effort involved in applying for and processing annually renewable grant funds and



- providing more commitment to the Voluntary and Community Faith Sector body providers, by ensuring longer term funding commitment up-front.

Services are encouraged to create multi-year strategic grant programmes where organisations are regularly funded and are continuing to demonstrate outcomes and outputs that match the eligibility and priorities of the funding. These should consider reducing annual value agreements to help promote service sustainability, as well as potential to deliver additional social value (including apprenticeship opportunities).

### **3.5 Core Requirements**

All grant documentation and requirements regardless of value must reflect the objectives, outcomes and be appropriate and proportional.

#### **3.5.1 Briefing Document**

The Briefing Document should contain the relevant information for any organisation wishing to bid to understand (but not be limited to):

- the target group of the funding
- the outcomes required
- location specific requirements or needs
- the likely need levels
- any Equality and Diversity and/or Health and Well-being considerations
- any relevant County Council Policy, Directive or outcome which the funding is linked to

Officers must consider whether the briefing document should be prepared with the involvement of any relevant residents, representative groups or proposed users or carers using co-design principles. If a co-design approach is not to be used valid reasons have to be recorded for the decision.

Officers should ensure that they or the bidder can demonstrate that the funding meets the needs of services users, carers or the community.

#### **3.5.2 Checking the Organisation is financially stable**

Each grant application will need to have appropriate financial checks undertaken in line with the value of the grant to ensure organisations are financially stable.

Elements to take account of as part of the decision include:

- In the event that an individual grant (value of over £10,000) being offered or bid for would be more than 30% of the current turnover of the organisation, a full financial risk assessment will be undertaken.
- The amount the organisation has in reserves.
- Total value of grants already awarded to the organisation both by Surrey County Council and other organisations.
- Confirmation that adequate insurance, required to cover the risk linked to delivery of the proposed grant, is in place or will be in place by the time the grant is awarded.

### 3.5.3 How do we ensure that the Grant funding is used appropriately?

A clear way for managing and monitoring (checking) delivery of the proposed outcomes, outputs and measures for grants should be agreed as part of the submission process and form part of the grant funding agreement. Measures and reporting timescales should be clearly defined and reflect the key areas of delivery, including but not limited to any reporting obligations held by the Council (or any partner organisations) in relation to achievement or conditions associated with grant funds.

The principles of joint working and grant management leading to the best possible outcomes should always apply. All resources and effort needed should be proportional to the strategic importance of the grant and impact of its delivery, as well as the value of the grant award.

All grants awarded, regardless of value, must be recorded on a Central Grants Register.

Monitoring is an increasingly important element within the Grant process. This determines the success of funding against agreed outcomes and outputs. In a Grant Process and Grant Funding Agreement there is a need for monitoring and evaluation of the performance of individual organisations and the programme as a whole.

Monitoring requirements will be set out on the Briefing and Grant Funding Application. Any variations should be mutually agreed by both parties and confirmed in writing.

An effective framework for monitoring should:

- establish a process that promotes accountability in a supportive way
- show clarity about the roles and responsibilities that have been agreed
- avoid duplication of effort by the council and the funded organisation
- take account of the monitoring procedures already agreed by the organisation's other funders and any quality assurance system introduced by the organisation itself
- be relevant and proportionate to the size and nature of both the funding provided and the funded organisation
- be consistent with the need for the effective protection of, and proper accountability for, public money
- be informed by early negotiation – this can greatly reduce workload and frustrations later on
- enable the council to assess the contribution made to meeting the funding objectives and identify any implications for the future direction of the programme
- enable the funded organisation to assess the contribution made to meeting its own objectives, and to identify any new user needs and any learning which could be disseminated to other Voluntary Community and Faith Sector organisations and funders
- takes account of the resourcing and cost of monitoring
- allow for innovation
- allow the organisation to show what added value they are offering to the group they work with and the Community.

Organisations will be required to submit proposals which address how they will record and report evidence of how they will demonstrate successful achievement of the outcomes agreed in the submission.

Surrey County Council must ensure that appropriate monitoring is in place.

#### **3.5.4 Timescales**

Grants can be issued at any time during the financial year subject to budget availability and approved by the Finance Manager and the Head of Service.

Organisations should be given an appropriate amount of time to make their submission and this should be clearly stated by the Commissioner of the grant at the time the grant submission document is issued, these should be proportionate to the value and complexity of the submission required. Guide minimums are set out in the table in section 3.5.9.

Decisions will need to be confirmed and communicated to the bidder within the agreed time period.

A timetable should also be set out for the entire grant process and requirements (such as evaluation and award procedures) to give organisations clarity and realistic expectations.

#### **3.5.5 Payment Mechanism**

Payment mechanisms for all grants should take into consideration the needs, costs and timing of the scheme and payment schedules should support these..

- Payments can only be made once the Grant Funding Agreement is signed by both parties and returned.
- Payment structure must follow those set out in the Grant Funding Agreement.
- If the payment structure requires submission of monitoring information this must be received before subsequent payments are made.
- If the Commissioner is not satisfied with the performance levels and/or action plan then future payments may be withheld.

As a default, all grant submissions should be clearly provided inclusive of VAT.

Innovative payment models should be discussed and agreed to take into account the needs of the organisation, project/service requirements and needs to be agreed with the Commissioner.

#### **3.5.6 Terms**

All grants will be subject to a formal, written Grant Funding Agreement.

All necessary insurance for the project and organisation will be confirmed to be in place, together with compliance of all statutory legislation.

Any terms for funding that have placed specific requirements upon Surrey County Council should be made clear and explicit in the grant brief and reflected in the terms of the Grant Funding Agreement.

Additional grant terms should be considered to reflect specific outcomes and requirements in consultation with Legal Services.

If funding is likely to change or be withdrawn during the agreed period of funding, a minimum of three months notice will be given, as set out in **Surrey Compact** Funding Code. The notice period is to be clearly set out in the Grant Funding Agreement and clearly highlight the date on which funding will end.

Where an under-spend occurs during the period of the Grant Funding Agreement then the Council can require the organisation to return any unused funds.

The terms and conditions of the Grant Funding Agreement should include the requirement upon any funded organisation to notify the council of any anticipated under-spend as soon as this becomes clear. Where the Council is able to allow the funding to remain with the funded organisation the purpose and amount should be agreed formally with the officer responsible (known as the Responsible Officer in the scheme of delegation and is normally the Commissioner) and recorded for audit purposes.

### **3.5.7 Evaluation of Grant Submissions**

For all grants, the evaluation of a submission should be against clear criteria that reflect the Council's required outcome or objective, combined with delivering value for money. As far as possible, these criteria should be set out in the grant briefing, ensuring the evaluation criteria are fair, open and transparent.

Grant evaluation would need to be appropriate the value of the funding opportunity from a Commissioner decision up to a grant evaluation panel. For details of the appropriate level can be found in the table in section 3.5.9. Anyone taking part as a member of a grant evaluation panel cannot be a serving member of the Board of Trustees or employee of any organisation bidding nor take a role with any organisation awarded funding during the life of the Grant.

All panel members will be required to agree to a confidentiality agreement.

Evaluation panel members will need to disclose any and all links to bidding organisations that could constitute a conflict of interest and put the decision being made into question.

### **3.5.8 Award**

The Grant Funding Agreement, including funding details must be issued, signed by both the Councils Commissioner and the successful organisation and returned before payments are made.

### 3.5.9 Summary table – Process for advertising, approval and awarding grants

Aggregate value	Who approves the way the grant opportunity will be set up?	Who manages that bidding process?	How should the bidding process be managed?	How should the bidding process be advertised?	What is the minimum requirement for an evaluation panel?	Who approves grant award?	Who can sign off grant on our behalf?	What is the minimum timescale for bids to be submitted?
£0 to £9,999	Commissioner	Commissioner	Use of Surrey e-portal or via paper submission	No requirement for formal advert	Individual Commissioner or Member	Commissioner	Commissioner	14 days
£10,000 to £99,999	Commissioner	Commissioner	Use of Surrey e-portal	Advertise on our website for 7 working days	Minimum of 3. From the Commissioner, member of the original reference group, Members & a member of finance	Commissioner	Head of Service or Delegated Commissioner	28 days
£100,000 to £499,999	Commissioner and Procurement	Commissioner and Procurement	Use of Surrey e-portal	Minimum requirement is to advertise on our website for 30 calendar days	Minimum of 5, including representatives from (but not limited to): Commissioner/s, Service User and/or Carer, Service Representation from front line support teams, Finance Interested parties(with no conflict of interest), Members Procurement Category Specialist	Head of Service, Head of Procurement & Commissioning	Head of Service	42 days
£500,000 and over	Commissioner and Procurement	Commissioner and Procurement	Use of Surrey e-portal	Minimum requirement is to advertise on our website for 30 calendar days	Minimum of 5, including representatives from (but not limited to): Commissioner/s, Service User and/or Carer, Service Representation from front line support teams, Finance Interested parties(with no conflict of interest), Members Procurement Category Specialist	Cabinet <sup>1</sup>	Head of Service	42 days

<sup>1</sup> Contracts between £500,000 and £999,999.99 must be approved by the relevant Cabinet Member (in consultation with the Leader) and contracts of £1m and over must be approved by the Cabinet.

### **3.6 Collaboration**

The Council may decide to work with other partner organisations such as the NHS to award grants. Where Surrey leads on this process, these Criteria will be followed to ensure that the requirements are appropriately advertised and set out the impact and the outcomes needed.

### **3.7 Joint applications**

The use of joint applications by Voluntary Community and Faith Sector organisations is encouraged where they:

- Deliver value for money
- Make sense in terms of the viability of the project and the involvement of individual partners, and
- Bring benefit to the organisations and service users from the sharing of expertise and resources e.g. where savings generated could be used to add value to the service

A joint application should identify the partner that will be responsible for holding and managing the grant. This approach can also be an effective way for larger voluntary, community and faith sector organisations to assist smaller community organisations to access resources.

## **4 Holding records**

### **4.1.1 Document Retention periods**

The retention of tenders and contractual documentation is prescribed in the Limitation Act 1980 and the Public Contracts Regulations 2006

- All received grant submissions must be retained for a minimum of 18 months following the issue of the Grant Funding Agreement.
- All signed contracts under £499,999 (including all grant application submission documents) must be retained for a minimum of six years following grant funding expiry.
- All signed grant agreements over £500,000 (including all grant application submission documents) must be retained for a minimum of 12 years following grant funding expiry.

Service areas must maintain an electronic record confirming location of grant information and the scheduled date of destruction.

## **5 Legal status of the Grant Criteria and Funding Opportunities Guide**

The Council is required by section 135 of the Local Government Act 1972 to maintain these Orders as part of our Constitution.

The Head of Procurement & Commissioning is the custodian of these Guidelines and is responsible for keeping them under review. If the EU Directives or any other law is changed in a way that affects these Guidelines then the Head of Procurement & Commissioning will issue a bulletin and the change must be observed until the Guidelines can be revised.