

**ANNEX A**

**Grant Criteria and Funding Opportunities  
Guide:**

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

July 2013

Version 0.9 draft

## Contents

<b>1</b>	<b>Introduction</b> .....	<b>3</b>
1.1	Key Principles .....	3
1.2	Scope .....	3
1.3	Roles and Responsibilities .....	4
1.4	Transparency .....	4
1.4.1	Advertisement of Grant Opportunities .....	4
1.4.2	Freedom of Information .....	4
1.4.3	Conflict of Interest .....	5
1.5	Enforcement of Grant Criteria .....	5
<b>2</b>	<b>Is a Grant Process right for your Project/Service</b> .....	<b>6</b>
2.1	What is a grant? .....	6
2.2	Grant or Tender process? .....	6
2.2.1		
<b>3</b>	<b>Grant Process</b> .....	<b>7</b>
3.1	Levels of Grants Funding	
3.2	Core Requirements .....	7
3.2.1	Briefing Document .....	7
3.2.2	Checking the Organisation is Financially Stable	
3.2.3	How to ensure the Grant Funding is used appropriately	
3.2.4	Timescales .....	9
3.2.5	Payment Mechanism .....	9
3.2.6	Terms .....	9
3.2.7	Evaluation .....	10
3.2.9	Award .....	10
3.2.10	Summary table – Process for advertising, approval and awarding grants .....	11
3.3	Small Grants Process .....	12
3.4	Standard Grants Process .....	12
3.5	Strategic Grants Process .....	13
3.6	Collaboration .....	14
3.7	Joint applications .....	14
<b>4</b>	<b>Holding Records</b> .....	
4.1.1	<i>Document Retention periods</i> .....	14
<b>5</b>	<b>Legal status of the Grant Criteria and Funding Opportunities Guide</b> .....	<b>14</b>
<b>6</b>	<b>Appendix 1 – Template for Small Grant Procedure</b> .....	<b>15</b>
<b>7</b>	<b>Appendix 2 – Template for Standard Grant Procedure</b> .....	<b>15</b>

Version History  
2013 Draft version V0.8

# 1 Introduction

## 1.1 Key Principles

These Grant Criteria are based on these key principles:

- To secure **value for money** through the award of grant funding to achieve strategic outcomes for the Council and to 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**, social value and social capital objectives, and an appropriate approach to equality.

All Officers must comply with this Guidance at all times. Any breach would be seen as breaching the council's Constitution.

Where these criteria appear to conflict with any separate rules the Head of Policy & Performance and the Head of Procurement & Commissioning will jointly determine which takes precedence.

Social Capital/Value is generally understood to be the connections among people and their social networks, a willingness to do things for each other and a sense of trust that comes from this.

At a local level these connections give rise to a feeling of 'belonging' and wellbeing, sometimes developed through collective action in the form of community participation or voluntary action. This is often known as civil society and is distinct from the state and the private sector. The voluntary and community organisations that make up civil society provide both the structure and the opportunity for people to become more engaged and active in their communities. This results in bonds and networks being formed between diverse people and organisations which have a shared goal or interest.

Surrey has a thriving voluntary, community and faith sector which can help people to help each other and where there is a 'social return' on investment made. 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 to achieving this. This can be supported through making the best use of local:

- Knowledge and experience
- Community engagement
- Service user and/or carer-accountable structures, for example, genuine user or carer led organisations
- Networks
- Volunteers
- Access points or bases.

## 1.2 Scope

These Grant Criteria set out how the Council authorises allocation and spending of grant funding of any type by its Officers.

### **1.3 Roles and Responsibilities**

The Head of Policy & Performance and the Head of Procurement & Commissioning are jointly 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 your Finance Manager
- (d) Ensuring grant funding is managed via the existing Council payment processes.
- (e) Involving Buying Solutions at the earliest opportunity when you need a new organisation 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 and capital, and carrying out Equality Impact Assessments where appropriate
- (h) Putting in place effective and appropriate monitoring of the performance of grants
- (i) Ensuring all Grant Funding Agreements comply 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 jointly by the Head of Policy & Performance and the Head of Procurement & Commissioning prior to the process commencing

### **1.4 Transparency**

#### **1.4.1 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.

#### **1.4.2 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.

### **1.4.3 Conflict of Interest**

Our 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 a grant from the council are required to declare any conflict of interest.

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

Any breach of these criteria should be reported to the Head of Policy & Performance and 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 jointly by the Head of Policy & Performance and 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?

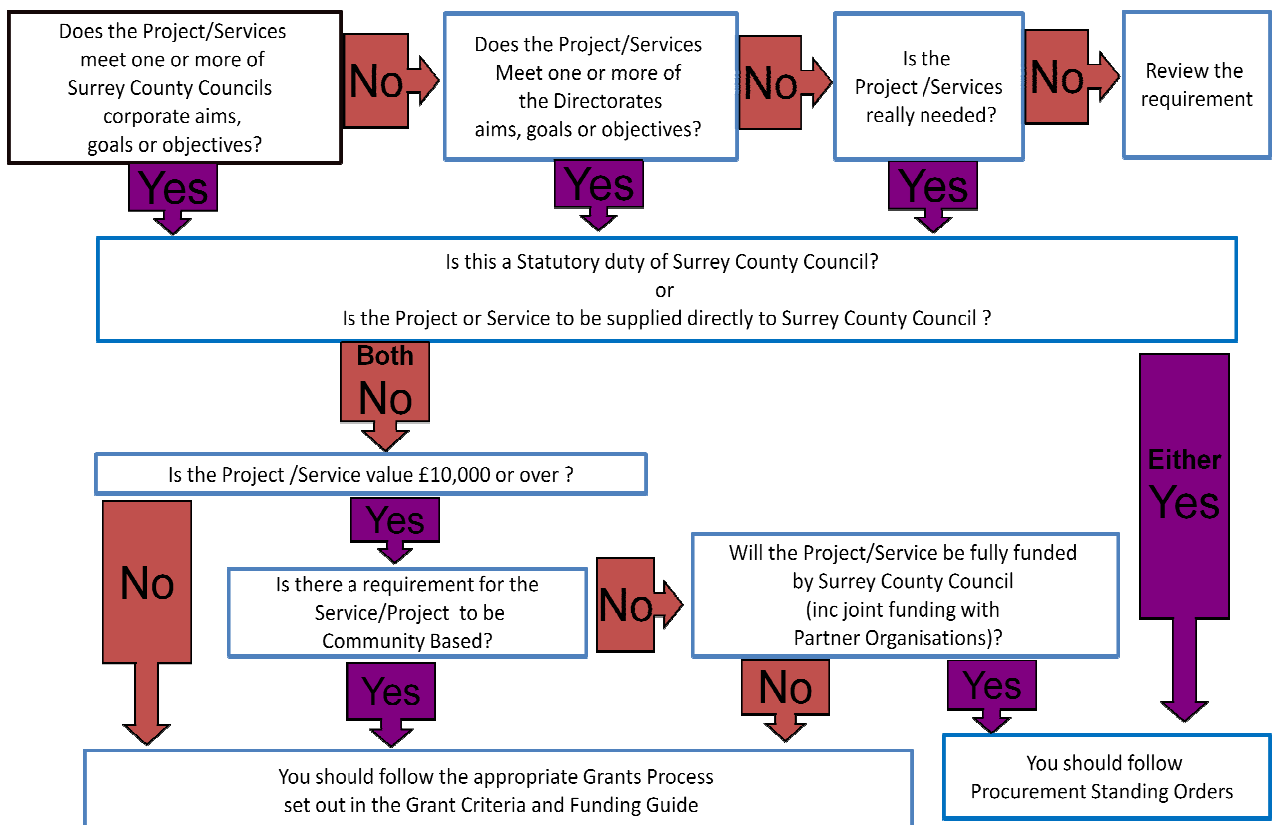
A grant is a sum of money given to an individual or organisation for a specific project or service. A grant usually covers only part of the total costs involved in the project or service.

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 to agree the most appropriate way to continue.

Examples to be confirmed

## 3 Grant Process

### 3.1 Levels of Grant Funding

The Council has decided to split Grants into three key processes, 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 1 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 of each.

### 3.2 Core Requirements

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

#### 3.2.1 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.

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

#### 3.2.2 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 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.

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

A clear way for monitoring (checking) and recording the proposed outcomes, outputs and measures for all 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.

The requirements for monitoring and the way the organisation will submit the information required will be included in the Grant Funding Agreement, the requirements should be tailored to meet the needs of each Grant Funding Application and proportionate to the value of the grant. 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 SCC 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 SCC 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.

### **3.2.4 Timescales**

Grants can be issued at any time during the financial year subject to budget availability.

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 3.2.9

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.

### **3.2.5 Payment Mechanism**

Payment mechanisms for all grants should take into consideration the needs, costs and timing of the scheme that funds are supporting the delivery of and be proportionate in reflecting these.

- Payments can only be made once the Grant Funding Agreement is signed 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 in account the needs of the organisation, project/service requirements and Commissioner.

### **3.2.6 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 been 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.

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.

### **3.2.7 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.

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.

### **3.2.8 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.

**3.2.9 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 your Bidding process be manage?	How should we advertise the bidding process and for how long?	Minimum evaluation panel	Who approves grant award?	Who can sign off grant on our behalf?	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. Commissioner, member of the original reference group, Members & a member of finance	Commissioner	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	Head of Service	42 days

### 3.3 *Small Grants Process*

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

If you are looking to issue multiple small grants in one process then the Strategic Grant process should be used. The Commissioner of the grant should ensure that all organisations that offer similar offering are considered in order to deliver best value and maximum benefit from the funding for Surrey residents.

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 jointly by the Head of Policy & Performance and 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 propose changes. Any and all amendments to the submission must be mutually agreed. All modifications or changes must be followed by the resubmission of the written grant submission document.

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

The template bid document for Small Grants is attached in Appendix 1

### 3.4 *Standard Grants Process*

The Standard Grants Process is for grants of a value between £10,000 and £99,999, and can only be used for one off grants with a maximum term of one year. Please note 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 you are looking to issue multiple Standard grants 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 jointly by the Head of Policy & Performance and 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 propose changes. Any and all amendments to the submission must be mutually agreed. All modifications or changes must be followed by the resubmission of the written grant submission document.

For example if the grant budget sum is £90,000 and you receive four bids of £25,000 each and if each is a valued submission the Commissioner would like to support, then the Commissioner may ask the organisations to modify 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 used.

The template bid document for Standard grants is attached in Appendix 3.

### **3.5 Strategic Grants Process**

Strategic Grants process applies when:

- The total grant funding available has a value of more than £100,000 in total, or
- Grants with 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 you must use.

Before starting the Strategic Grant Process the proposal will need to be agreed jointly by the Head of Policy & Performance and the Head of Procurement & Commissioning using the Strategic Grant approval form.

Strategic Grants will:

- be required to be publically advertisement across the County.
- Should involve co-design of the outcomes and the grant briefing document
- involve a more formal process than the Small or Standard Grant Funding Process.
- 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 and
- reducing the amount of time and effort involved in applying for and processing annually renewable grant funds
- 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 benefit and value (including apprenticeship opportunities).

### **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 satisfy the outcomes needed.

### **3.7 Joint applications**

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

- Help achieve value for money
- Make sense in terms of the viability of the project and the individual partners, and
- Bring benefit to the organizations 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 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 eighteen 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 twelve 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**

We are required by section 135 of the Local Government Act 1972 to maintain these Orders as part of our Constitution.

The Head of Policy & Performance and the Head of Procurement & Commissioning are the custodians 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 will issue a bulletin and the change must be observed until the Guidelines can be revised.

**6 Appendix 1 – Template for Small Grant Application Form**

**7 Appendix 2 – Template for Standard Grant Application Form**

This page is intentionally left blank