

SURREY COUNTY COUNCIL

CABINET

DATE: 27 MAY 2014



REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES

LEAD OFFICER: JULIE FISHER, STRATEGIC DIRECTOR FOR BUSINESS SERVICES

SUBJECT: GRANT CRITERIA AND FUNDING OPPORTUNITIES GUIDE

**SUMMARY OF ISSUE:**

The Grant Criteria and Funding Opportunities Guide set out how the Council governs allocation of funds by officers via grants. The new procedure formalises the approach to grant awards, reflecting best practice and Council priorities.

**RECOMMENDATIONS:**

It is recommended that Cabinet approves the Grant Criteria and Funding Opportunities Guide.

**REASON FOR RECOMMENDATIONS:**

To support the adoption of a Grant Criteria and Funding Opportunities Guide, which creates a clear process and ensures that the Council maintains a fit for purpose set of guidance and rules to govern the award of grants.

**DETAILS:**

1. The Grant Criteria and Funding Opportunities Guide sets out how the Council governs allocation of funds via grants. The Guide covers all funding opportunities made available by the Council or jointly with its partners in support of achieving the council’s objectives. The new rules set out clear guidance on awarding grants and are referred to in the Procurement Standing Orders which were approved in a separate report to Cabinet in July 2013.
2. In 2012/13 the Council spent in the region of £40 million with Voluntary, Community and Faith Sector organisations (VCFS) of which £20 million was grant funded.
3. These Grant Criteria and Funding Opportunities are based on 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 the 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.
4. A copy of the proposed new Grant Criteria and Funding Opportunities Guide is attached in **Annex 1**.
  5. In summary the Grant Criteria and Funding Opportunities Guide creates the following:
    - Three bidding levels; under £10,000, between £10,000 and £100,000 and over £100,000. These all have a specific and appropriate process for each level of funding
    - A clear structure and clarity of the process that is easy for bidding organisations to understand
    - Clear guidance on how we approve grants including evaluation, award, monitoring and sign off.
    - Instruction on the difference between grants and contract
    - Direction on how to select the appropriate outcome: grant or contract
    - The reinforcement of good practice

#### **CONSULTATION:**

6. It was important in developing this Guide that the proposed approach to awarding grants met the needs of the sector. Officers therefore worked alongside representatives from 11 key VCFS organisations in developing the initial draft guidance, seeking views on a number of key areas such as the benefits of grants and contracts; level of process and requirements of bidding; how to ensure monitoring is appropriate and not onerous and the advertising of opportunities.
7. Similar discussions were also held with officers across the Council including representatives of Legal, Policy & Performance, Procurement, Finance, Adult Social Care and Children, Schools and Families who are actively involved in the awarding of grants.
8. Through these discussions, a draft guide was developed, which was supported by both officers and the sector. This was then subject to a full consultation process during December 2013 – January 2014 to ensure all stakeholders had the opportunity to comment as they felt necessary. The consultation was actively promoted via the Surrey Compact and the infrastructure organisations as well as directly with the Surrey Charity Chief Executives Group to ensure coverage across the sector. There was general support for the approach being introduced and suggestions for how to support implementation - such as through training and workshops once the new process is agreed - have been taken on board and will be put in place.
9. The Communities Select Committee considered the Guide at its meeting on 15 January 2014. The Committee felt the Surrey Compact should be influential in this policy and were re-assured that the Compact had been one of the 11 organisations consulted from the outset and was very supportive of the approach taken. The Committee also suggested that consideration been given to Local Committee involvement for the award of smaller local grants and Procurement will continue to work with the Community Partnerships Team and the Cabinet Member to review this.

### **RISK MANAGEMENT AND IMPLICATIONS:**

10. A process of regular review and updating of the Council's Grant Criteria and Funding Opportunities Guide will help to manage the risks and uncertainty associated with grant funding and award. This includes:
- a. Reducing the risk of legal challenge to grants awarded – by ensuring that legislation and best practice is built into both rules and processes
  - b. Improvements to strengthen our ability to deliver and monitor outcomes which deliver benefits for the whole Council
  - c. Ensuring proper controls are in place as part of the process, to ensure that available grant funding is most appropriately allocated in support of the Council's priorities.

### **Financial and Value for Money Implications**

11. There are no financial implications in these changes.

### **Section 151 Officer Commentary**

12. The Section 151 officer has been consulted on this proposal. The S151 officer is satisfied that these regulations maintain the appropriate level of control and security in the award of and payment of grants.

### **Legal Implications – Monitoring Officer**

13. There is no specific statutory obligation on the Council to have a Grant Criteria and Funding Opportunities Guide. However the Procurement Standing Orders make reference (at paragraph 3.3) to such guidance, and it is important in complying with the statutory "Duty of Best Value" and as a matter of transparent and efficient public administration for there to be clarity of the processes and arrangements in place when the Council makes grants.
14. Notice should be had of the Best Value Statutory Guidance issued by the DCLG in September 2011 to the extent the Guidance sets out expectations of the way authorities should work with voluntary and community groups and small businesses when facing difficult funding decisions. ([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/5945/1976926.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5945/1976926.pdf))
15. The Guide sets out the criteria for funding that would be reasonably expected, including the need to secure value for money, to be transparent and to support sustainability and the various processes needing to be adopted when making funding arrangements.

### **Equalities and Diversity**

16. When making this decision, there is a duty on the Cabinet under s149 Equalities Act 2010 to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity for those with protected characteristics and foster good relations with these groups. An equality impact assessment has been carried out to enable this and is attached as **Annex 2**.

17. The EIA concludes that the new process will give much clearer guidance on the awarding of grants and how the process differs from awarding contracts, what they are and how they should be used. This will be of benefit to anyone involved in the grant process who has any of the protected characteristics. There will be a requirement for training in appropriate ways and formats to help staff understand the new process and how to carry out a grant funding opportunity and this will enable them to assist anyone with a protected characteristic to access the process effectively.

#### **Other Implications:**

18. The Grant Criteria and Funding Opportunities Guide take account of the Social Value Act 2012, and to appropriate areas of EU Directives enshrined in UK Law, including the Public Contracts Regulations 2006.
19. The potential implications for the following council priorities and policy areas have been considered. These rules update a consistent approach to the process for advertisement and award of grant funding, where available. There are no implications or impact of the procedures on the use of grants in support of the achievement of council priorities and outcomes for its residents, service users, partners and other stakeholders.

#### **Climate change/carbon emissions implications**

20. The County Council attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change.

#### **WHAT HAPPENS NEXT?**

21. The Grant Criteria and Funding Opportunities Guide will be approved and the training programme will start in readiness for formal role out in October with the first grants issued under this new Grant Criteria and Funding Opportunities Guide process being awarded in April 2015.
22. Following approval we will communicate the process to those consulted and the wider community where relevant.

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#### **Contact Officer:**

Jeremy Taylor, Procurement & Commissioning Partnership Manager 020 8541 8544

#### **Consulted:**

The Grant Criteria and Funding Opportunities Guide were created in consultation with Adults Social Care Commissioning, Children's Commissioning, Finance, Legal, Procurement and Commissioning and Policy and Performance.

#### **Annexes:**

##### **Annex 1**

Proposed new Grant Criteria and Funding Opportunities Guide

##### **Annex 2**

Equality Impact Assessment

**Sources/background papers: None**

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