

# **COMMUNITY LEADERSHIP OVERVIEW AND SCRUTINY COMMITTEE**

**14 JANUARY 2025**

## **REPORT OF PARTNERSHIPS PORTFOLIO HOLDER**

### **A.1 To Consider Grant Funding by the Council and Others and its Appropriateness Given the Needs of the District.**

#### **PURPOSE OF THE REPORT/INQUIRY**

To provide the required information to enable the Committee to undertake its enquiry into grant funding arrangements with the aims and objectives set out below.

#### **SCOPE - THE AIMS AND OBJECTIVES OF THE REPORT**

To consider the Council's approach to grants, the relationship between other grant funding organisations and the extent to which gaps in funding have been identified and addressed.

The enquiry will look at funding streams, processes, the implications of subsidy control, the accessibility of grants funding, the time formal streams of funding had, the extent to which the funded one off or ongoing work, a gap analysis of funding, and the value of funding outcomes.

#### **INVITEES**

**Leader of the Council**

**Portfolio Holder, Partnerships**

**Assistant Director Finance and IT**

**Assistant Director Economy, Culture and Leisure**

**Representatives of voluntary organisations in the District.**

#### **BACKGROUND**

Over recent years, the Council has provided significant grant funding to a wide range of organisations around the district, including support for businesses and our economy, improving employment prospects, skills and education, strengthening community organisations, improving the resilience of key community services and the development of creative and cultural activities.

Funding for these schemes have been through a combination of the Council prioritising its own general fund budget and Government funded schemes, such as UK Shared Prosperity and a range of Covid grants to support communities through the national pandemic in 2020/21. Over the last year, there have been a number of reports to Cabinet in respect of grant funding, which cover a number of those schemes.

In order to inform the Community Leadership Overview and Scrutiny Committee's review of grant funding, they requested the outcome of the complete review of the grant funding

commissioned by Cabinet in 2023 and the progress with its implementation. All the information prepared to date is set out in the reports to Cabinet on this subject which is highlighted in this report, together with a summary of the next steps which include development of a full grant funding policy.

It is important that the Council reviews its approach to grant funding opportunities and as part of a report to Cabinet in July 2023 for providing funding to Citizens Advice Tending, one of the recommendations was for a *'review of grant funding across the Council be approved and a report following the review considering the options available during 2023/24 be presented to Cabinet in readiness for 2024/25.'*

This was seeking to understand some of the breadth of the grant funding and also about how funding could be allocated going forwards. A subsequent report to Cabinet on 19 April 2024 provided further detail on the types of funding allocated and the types of approach across the Council for providing funding and included a recommendation that *'such reviews will include engagement with Officers and the relevant Portfolio Holders, to understand existing schemes and determine proposals for the future, taking into account service provision, subsidy control implications, the Council's financial position and delivering the Council's Corporate Plan'* and furthermore that *'following completion of the review a further report will be presented to Cabinet in readiness for the budget process for 2025/26.'*

A subsequent report to Cabinet on 20 September 2024 which set out a review of external funding by the Council, approved an External Funding Framework, (Appendix 1), which provides a *'process for the acceptance of external funding provision, a process for the provision of financial assistance to external bodies and other allocation of funding, with immediate effect.* Further to this, Cabinet agreed that *'an External Funding Policy be developed for approval by the Leader of the Council, as the Portfolio Holder for Corporate Finance and Governance, to complement the External Funding High Level Framework'*, which will be presented to a future Audit Committee for their support and assurance on the governance.

The Cabinet reports set out above also covered funding streams, processes, the implications of subsidy control, the accessibility of grants funding and the timescales of the funding which meets with issues raised in this enquiry.

#### **RELEVANT CORPORATE PLAN THEME/ANNUAL CABINET PRIORITY**

The provision of grant funding cuts across the Corporate Plan themes as funding can be provided for a wide variety of activities including for example aspirations, our environment and our heritage.

Grant funding also helps achieve the priority of working with partners to improve quality of life promoting safer, healthier, well connected and inclusive communities.

It also meets the objective of financial sustainability and openness by focussing what the Council spends its money on and providing clarity around this.

#### **DESIRED OUTCOME OF THE CONSIDERATION OF THIS ITEM/INQUIRY**

By reviewing the existing Cabinet reports for the Committee to understand the type of grant funding available and the mechanism by which it is allocated and comment on any improvements that could be made to increase effectiveness. Furthermore, to make recommendations back to Cabinet on improvements to the process for any future schemes.

## DETAILED INFORMATION

At the Cabinet meeting on 21 July 2023, a report covered funding provided to Citizen's Advice Tending as part of the core grant and funding for the mental health hub and the associated subsidy scheme.

As part of the recommendations on this report, Cabinet approved a review of grant funding across the Council and requested a report following the review be presented to Cabinet considering the options available during 23/24 in readiness for the commencement of 24/25.

The review of the types of funding available was identified in the report to Cabinet, ([Public Pack](#))[Agenda Document for Cabinet, 19/04/2024 10:30](#), and highlighted that for the 2023/24 period, up to £750K was allocated from Council resources, with in the region of £1M from external funding. Although this included significant funding going to the community, business and voluntary sector for example under the USPF, that funding also helped deliver major projects such as Orwell Place in Dovercourt.

The report identified that provision of funding usually comes with grant agreements which sets out conditions and may include what needs the funding seeks to address.

Types of allocation of funding are identified in the report and a flow chart provided to identify the possible funding routes either via a grant route or using a procurement route and a contract for services.

A further report went to Cabinet on 20 September 2024 ([Public Pack](#))[Agenda Document for Cabinet, 20/09/2024 10:30](#) which formed an external funding review.

The report set out parameters for allocating funding to ensure a consistent approach is followed which is in line with the corporate priorities and highlights the importance of working with partners where appropriate.

Key areas were identified in the report for receiving funding and allocating funding such as meeting any grant conditions, alignment with corporate priorities, ensuring there is appropriate governance undertaken, that there is capacity to undertake any work and compliance with subsidy control legislation.

All three Cabinet reports identify the importance of subsidy control requirements and ensuring these are appropriately followed.

The flow chart was also included as an appendix to the report and in addition checklists both for receipt of funding and allocation of funding.

The report also identified that a policy be developed for grant funding going forwards and in the interim the flowchart and checklist framework be used to ensure a consistent approach.

## RECOMMENDATION

**That the Committee determines whether it has any comments or recommendations it wishes to put forward the relevant Portfolio Holder or Cabinet.**

## PREVIOUS RELEVANT DECISIONS

([Public Pack](#))[Agenda Document for Cabinet, 21/07/2023 10:30](#) starting at page 35

([Public Pack](#))[Agenda Document for Cabinet, 19/04/2024 10:30](#) starting at page 119

**BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

**APPENDICES**

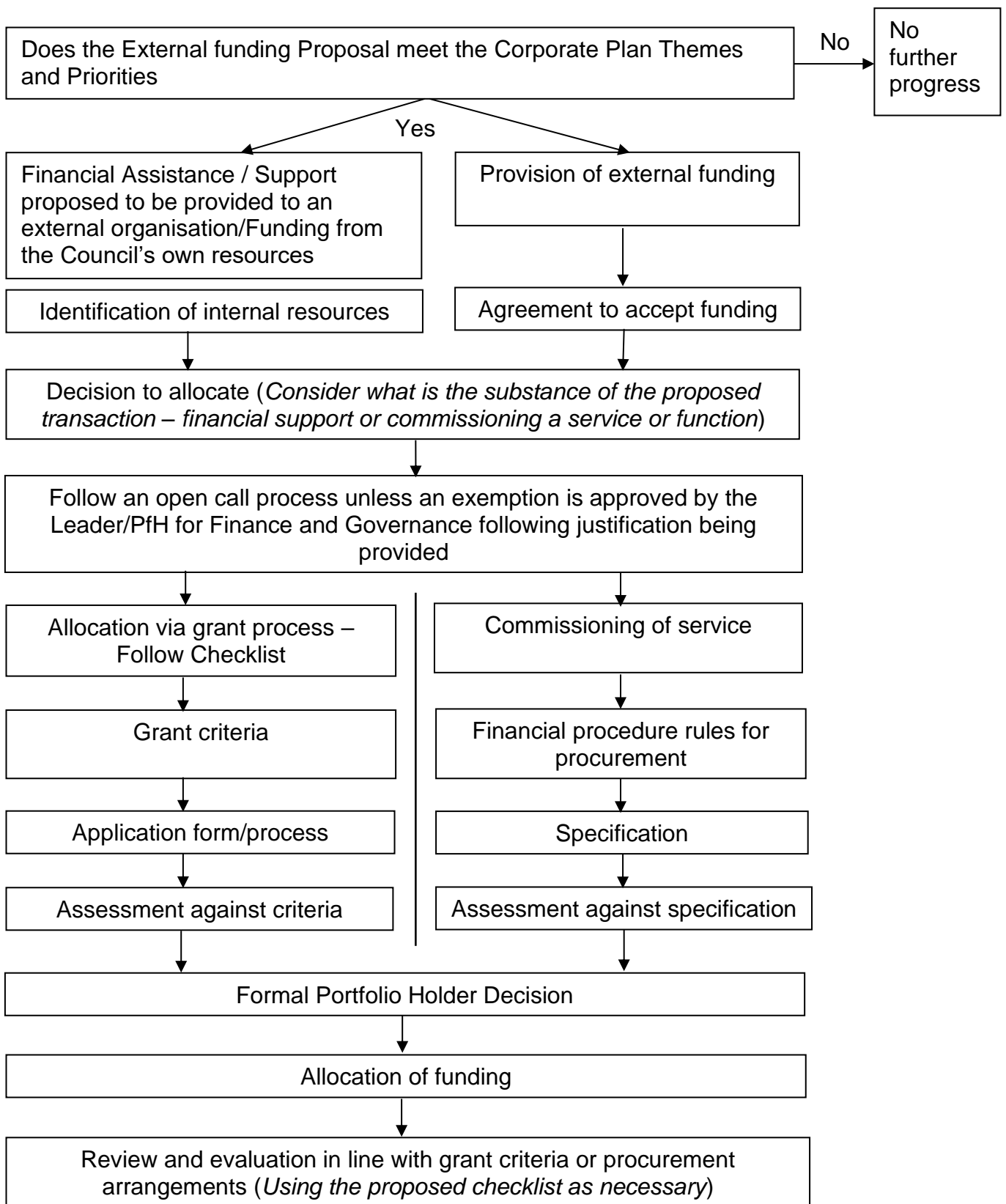
Appendix A Flowchart  
Appendix B Receipt of Funding  
Appendix C Allocation of Funding

**REPORT/INQUIRY CONTACT OFFICER(S)**

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**Appendix A**

**Figure 1**



## Appendix B

### Receipt of Funding

Prior to accepting any funding from an external partner the following checklist should be appropriately completed prior to considering acceptance of funding.

Checklist	Yes/No	Comments
Have conditions for allocating the funding been identified (grant conditions, assurance framework, MOU etc?)		
Will the funding align with the Corporate Plan Themes and Priorities and state which one and why? What are the outcomes expected.		
Is there organisational capacity for using the funding within the timescales expected?  <ul style="list-style-type: none"> <li>- Governance</li> <li>- Delivery</li> </ul> Have you consulted the relevant services where support is required?		
Does the receipt of the external funding place additional financial and resource commitments on the Council? (For example play equipment requiring maintenance)		
Which legal powers are being relied upon to support the use of the funding		
Have you undertaken a Subsidy Control assessment? If so, what was the outcome?		
Is the Council best placed to allocate the funding (should it be allocated by the funder direct?)		
Has a formal decision been taken to accept the funding at Cabinet or Portfolio Holder level?		

## Appendix C

### Allocation of Funding

The following checklist should be completed prior to allocating any funding and once completed a decision is required to allocate the funding.

Checklist	Yes/No	Comments
Will the funding align with the Corporate Plan Themes and Priorities and state which one and why? What are the outcomes expected		
Is there organisational capacity for using the funding within the timescales expected?  <ul style="list-style-type: none"> <li>- Governance</li> <li>- Delivery</li> </ul> Have you consulted the relevant services where support is required?		
Does allocation of the funding meet legal requirements?  <ul style="list-style-type: none"> <li>- Procurement rules (if appropriate)</li> <li>- Governance requirements</li> </ul>		
Are there sufficient resources to allocate the funding?		
Is allocation of funding in accordance with any conditions (if funding has been provided externally)		
Are criteria provided for how the recipient is to use the funding (e.g. via an application form, grant conditions or specification)?		
Which legal powers are being relied upon to support the use of the funding?		
Have you undertaken a Subsidy Control assessment? If so, what was the outcome?		
Is the Council best placed to allocate the funding (should it be allocated by the funder direct?)		

Funding should not usually be allocated for business as usual running costs		
Has a formal decision been taken to allocate the funding at Cabinet/Portfolio Holder level?		



