

Cheltenham Borough Council

Overview and Scrutiny Committee 21 October 2024

Cabinet 26 November 2024

Grants Policy

Accountable member:

Councillor Alisha Lewis, Cabinet Member Finance and Assets

Accountable officer:

Claire Hughes, Director of Governance and Customer Services

Ward(s) affected:

N/A

Key Decision: No

Executive summary:

Cheltenham Borough Council is proud to be able to support the voluntary and community sector and businesses in Cheltenham through the operation of our community grants schemes and via the distribution of grants that we receive from third parties such as the NHS. We acknowledge that as a Local Authority we are entrusted with public funds and that we have a duty to ensure that funding is distributed properly and spent lawfully and that processes used to determine grants are fair and transparent.

This policy has been developed to set out the processes to be followed when managing grants, including applying for external funding, developing and launching a new grant scheme and the distribution of funds. It lays out our aims and principles in awarding grants and sets out the specific checks that we need to undertake, whilst at the same time ensuring that we are maximising outcomes, minimising risk and delivering the greatest benefit to our communities.

Recommendations:

1. That Cabinet approves the Grants Management Policy (Appendix 3).
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1. Implications

1.1 Financial, Property and Asset implications

This policy will ensure that the council has robust systems of financial control in place for the management of grants. Whilst there are no direct financial implications arising from the implementation of the policy, relevant financial implications must be taken into consideration as part of the application for any grant funding and the development of any grant schemes.

Signed off by: Gemma Bell, Director of Finance and Assets: gemma.bell@cheltenham.gov.uk.

1.2 Legal implications

There are a number of powers given to councils to provide grant funding. The most appropriate power for grants to small voluntary and community sector grants is the general power of competence under Section 1 of the Localism Act 2011. The subsidy control position for all grants, regardless of value must be considered before setting up a grant scheme and One Legal can provide support with this.

One Legal has prepared template grant agreements for use by the Communities, Wellbeing and Partnerships team for smaller grants. One Legal should review funding agreements from central Government and draft bespoke agreements to pass on this funding to local groups.

Signed off by: One Legal legalservices@onelegal.org.uk

1.3 Environmental and climate change implications

An environmental and climate change impact assessment has been completed and identifies this policy has having a neutral impact. However, individual grant schemes should consider their environmental and climate change implications when being developed.



Signed off by: Maizy McCann, Climate Emergency Officer Maizy.McCann@cheltenham.gov.uk

1.4 Corporate Plan Priorities

- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Being a more modern, efficient and financially sustainable council

1.5 Equality, Diversity and Inclusion Implications

An Equality's Impact Assessment Screening questionnaire has been completed and is attached at

Appendix 2. The impact for this policy is neutral. However, individual grant schemes should consider their equalities impact when being developed.

1.6 Performance management – monitoring and review

Deliverability of grants schemes will be monitored via the relevant performance and monitoring arrangements as set out in individual grant agreements.

2 Background

2.1 An internal audit of grant income in December 2023 found that although the Council manages various grant schemes currently, it does not have an over-arching policy or procedure that provides guidance to staff on its governance and approach for administration and management of its grant income. The recommended actions from the audit were:

- We will prepare and implement a grants management policy/procedure that includes the key stages to administer and manage the Council's grant income. The guidance will include:
 - Roles and responsibilities.
 - Funding agreements.
 - Performance outcomes.
 - Eligibility criteria.
 - Assessment and awarding process.
 - Conflicts of interest.
 - Segregation of duties.
 - Due diligence checks.
- The grants policy/procedure will be reviewed and approved by the relevant manager.
- The grant management policy/procedure will be communicated to managers and staff involved in the administration and management of the Council's grant income.

2.2 The draft grants management policy (Appendix 3) sets out the processes to be followed when managing grants, including applying for external funding, developing and launching a new grant scheme and the distribution of funds. It lays out our aims and principles in awarding grants and sets out the specific checks that we need to undertake, whilst at the same time ensuring that we are maximising outcomes, minimising risk and delivering the greatest benefit to our communities.

2.3 The Council may also be tasked by Central Government with providing emergency funding or grants on an ad hoc basis at short notice following national emergencies such as flooding, pandemics, welfare issues and humanitarian crises etc, this policy will also apply to the distribution of those funds.

2.4 Different types of grant funding schemes will have very different eligibility criteria, but all require an application process, due diligence, verification checks and decisions regarding eligibility that should be transparent, consistent, fair and auditable. The Council may also have to agree to a mandated Government application, verification or audit process before commencing payments, so it is important the scheme is legally and meticulously implemented.

2.5 All grant schemes require a named lead officer with defined responsibilities for the lifetime of the grant. They will be responsible for the key stages of the grant giving process outlined in paragraph

- 5.1 of the grants management policy, ensuring consultation and approval as appropriate.
- 2.6 The policy includes guidance on developing a community grant scheme including application guidelines, timescales, promotion, and assessment of applications. It also includes guidance about funding agreements with grant recipients and performance monitoring and reporting.
- 2.7 An additional grant toolkit will provide guidance on the minimum verification and due diligence checks which must be undertaken. These checks should be determined at the start of the grant process and relevant documentation should be provided with every new grant application request, regardless of whether an organisations as received funding before.
- 2.8 Due regard should also be given to the internal processes and systems required to administer a grant scheme as detailed in paragraph 11 of the policy (Appendix 3).

3 Reasons for recommendations

- 3.1 To provide an over-arching policy that provides guidance to staff on the councils governance and approach for administration and management of grant income, in order to ensure that we are maximising outcomes, minimising risk and delivering the greatest benefit to our communities.

4 Alternative options considered

- 4.1 None

5 Consultation and feedback

- 5.1 The Counter Fraud Enforcement Unit has assisted in the development of the policy and are developing the grants toolkit which will be used in conjunction with this policy.

6 Key risks

- 6.1 A risk assessment has been completed and is attached at Appendix 1.

Report author:

Claire Hughes, Director of Governance and Customer Services

Appendices:

- i. Risk Assessment
- ii. Equality Impact Assessment – Screening
- iii. Draft Grants Management Policy

Background information:

N/A

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1.	If the council does not have an over-arching policy or procedure that provides guidance to staff on its governance and approach for administration and management of its grant income then we may be open to accusations of unfair, non-transparent or unlawful distribution of funds.	Claire Hughes	3	2	6	Reduce the risk	To adopt the grants management policy and ensure it is communicated to managers and staff involved in the administration and management of the Council's grant income	Claire Hughes	November 2024

Appendix 2: Equality Impact Assessment (Screening)

1. Identify the policy, project, function or service change

a. Person responsible for this Equality Impact Assessment

Officer responsible: Helen Down	Service Area: Communities, Wellbeing and Partnerships
Title: Participation and Engagement Lead Officer	Date of assessment: 27.9.24
Signature: H Down	

b. Is this a policy, function, strategy, service change or project?

Policy

If other, please specify:

c. Name of the policy, function, strategy, service change or project

Grants management policy

Is this new or existing?

New or proposed

Please specify reason for change or development of policy, function, strategy, service change or project

In response to internal audit report December 2023 which identified that although the Council manages various grant schemes currently, it does not have an over-arching policy or procedure that provides guidance to staff on its governance and approach for administration and management of its grant income.

d. What are the aims, objectives and intended outcomes and who is likely to benefit from it?

Aims: To ensure there is clear guidance on the processes to be followed when managing grants, including applying for external funding, developing and launching a new grant scheme and the distribution of funds. The grants management policy sets out the specific checks that we need to undertake, whilst at the same time ensuring that we are maximising outcomes, minimising risk and delivering the greatest benefit to our communities.

Objectives:	To have a robust process in place and to provide clear guidance to staff involved in the management of grants.
Outcomes:	To minimise the risks associated with not having a clear and transparent policy in place around the distribution of funds To have clear roles and responsibilities at each stage of the grant making process.
Benefits:	Communities will benefit as the policy seeks to ensure that funding is fairly and lawfully spent and distributed so that the outcomes are maximised.

e. What are the expected impacts?

Are there any aspects, including how it is delivered or accessed, that could have an impact on the lives of people, including employees and customers.

No

Do you expect the impacts to be positive or negative?

No impact expected

Please provide an explanation for your answer:

No impact from the policy however individual grant schemes should consider relevant equality impacts

If your answer to question e identified potential positive or negative impacts, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

f. Identify next steps as appropriate

Stage Two required	No
Owner of Stage Two assessment	
Completion date for Stage Two assessment	