

# Cheltenham Borough Council Grants Management Policy

## Version control

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## Consultees

### Internal

- Leadership Team
- Relevant Cabinet Members
- Counter Fraud and Enforcement Unit

### External

- N/A

## Distribution

All staff

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## **1. Introduction and purpose of the policy**

- 1.1 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 scheme and via the distribution of CIL (community infrastructure levy) funding and 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.
- 1.2 This policy sets out the processes to be followed when managing all grants, whether capital or revenue, 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.
- 1.3 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.
- 1.4 Different types of grant funding schemes will have very different eligibility criteria, but all require an application process, due diligence, verification checks, monitoring 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.
- 1.5 Information on the conditions that will apply to a grant will be made available to applicants before they apply together with key dates for submission and future spending of funds.

## **2. Managing External Funding**

- 2.1 External funding can be an important source of income to the Council, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council.
- 2.2 The Council shall seek to maximise its resources by attracting external funding where appropriate. However, in some instances, available funding may be linked to tight specifications and may not be sufficiently flexible to link to the council's strategies therefore due consideration must be given to applying for or accepting any external funding.
- 2.3 All applications for, or acceptance of funding must be in line with the rules sets out in the constitution and the financial rules. For the avoidance of doubt:

- Bids for external funding or accepting grant funding where the amount of funding exceeds £2 million and to accept the terms and conditions of that funding, if awarded must be approved by Cabinet;
- Bids for external funding or accepting grant funding where the amount of funding exceeds £500,000 but does not exceed £2 million and to accept the terms and conditions of that funding, if awarded must be approved by the relevant Cabinet Member
- Bids for external funding or accepting grant funding where the amount of funding is less than £500,000 and to accept the terms and conditions of that funding, if awarded must be approved by the relevant Director.

2.4 Where the funding has match funding requirements then in accordance with the financial rules the Section 151 Officer is responsible for:

- Ensuring that any match funding requirements are considered prior to entering into an external agreement and that adequate future revenue budgets are in place to meet these requirements.
- Ensuring that all funding notified by external bodies is received and properly recorded in the council's accounts.
- Ensuring that all audit requirements are met.

2.5 Directors and Heads of Service are responsible for ensuring that:

- Funds are acquired only to meet the priorities approved in the policy framework by the council.
- Any match funding requirements are considered prior to entering into an external agreement and consulting with the Section 151 Officer to ensure that adequate future revenue budgets are in place to meet these requirements.
- Key conditions of funding and any statutory requirements are complied with and that the responsibilities of the Accountable body are clearly understood.
- All claims for funds are made by the due date and income received in accordance with the agreement.
- The project progresses in accordance with the agreed project outline and that all expenditure is properly incurred and recorded in the council's accounts
- Advice is sought from One Legal on the terms of the funding agreement and subsidy control implications as early as possible, particularly where there is an intention to pass the funds onto third parties.

2.6 Where external funding is received by the council for onward distribution that distribution must be carried out in accordance with this policy, including via the development of an appropriate grant scheme.

### **3. Emergency Funding Streams**

- 3.1 National and local emergencies such as pandemics, floods, the cost-of-living crisis, international conflicts etc may result in Central Government asking Councils to administer grants and funding schemes to businesses and individuals.
- 3.2 These schemes are implemented quickly and with little prior warning to the Council and often with guidance provided after the funding has been announced. The Council should be prepared for the possibility of being tasked with this and have guidance and checklists available to assist.
- 3.3 The nature of the emergency will determine the application information required and criteria will be mandated by Central Government. The Council must ensure it follows this guidance to enable recovery of payments from Central Government
- 3.4 A core emergency funding group should be set up to include a representative from Finance to ensure management of delivery of payments, a representative from One Legal to ensure compliance with legal requirements and terms and conditions of funding, Revenues and Benefits Officer to provide customer/business data, a representative from Internal Audit and the CFEU to advise on risk and mitigation, and a representative from the relevant service area(s) (e.g Public Protection for floods/health emergencies, or Housing etc).
- 3.5 Businesses and individuals will have to complete an application form (online or paper) and sign a declaration which will include agreeing to any clauses required by Central Government and the following statement:-

*Please be advised that the Council will not accept deliberate manipulation and fraud and any applicant caught falsifying their statements or evidence to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.*
- 3.6 Businesses and individuals will be required to provide proof of identity and eligibility, and proof of the bank account they wish payment to be made to. See the grants toolkit for examples of the type of documentation/proof that may be required.
- 3.7 Returns will be made to Central Government and minimum audit requirements will be detailed on all documentation. Decision-making documents must be kept in line with the scheme guidance and data retention policies.

#### **4. Conflicts of Interest**

- 4.1 A conflict of interest is any activity that is inconsistent with the Council's best interests or that which could give the appearance of impropriety or corruption. Officers must not place themselves in a position within which a personal benefit could be derived or be perceived to be derived from actions or decisions made in their official capacity as an employee.
- 4.2 Conflicts of interest should be declared at the start of the process so that they may be recorded and considered at the first opportunity. Where a conflict of interest is present, the officer will not form part of any assessment panel or take part in any decision making for that grant scheme.



## 5. Roles and Responsibilities

5.1 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 scheme outlined below ensuring consultation and approval as appropriate.

Stage	Who should be involved	Notes
<p>Development of grant scheme – including priorities, criteria, assessment, risk assessment and decision making</p> <p>Drafting of grant scheme</p> <p>Development of application form and process</p>	<ul style="list-style-type: none"> <li>• Lead officer</li> <li>• Leadership Team</li> <li>• Lead cabinet member</li> <li>• Representative of funding body where applicable (e.g. NHS for Health &amp; Wellbeing Grants)</li> <li>• One Legal</li> <li>• SWAP (internal audit)</li> <li>• Counter Fraud and Enforcement Unit (CFEU)</li> </ul>	<p>Proposals must be discussed with the appropriate colleagues to ensure authority to bid for funding and any match funding is available.</p> <p>Any legal considerations must be sought.</p> <p>Timescales should be agreed in relation to availability and the time frame within which they should be spent.</p> <p>Consider risk and mitigations accordingly.</p> <p>Refer to supporting CFEU recommendations grants toolkit to cover application supporting information required, declarations, and verification checks.</p>
Launch of grant scheme and promotion	<ul style="list-style-type: none"> <li>• Lead officer</li> <li>• Communications team</li> </ul>	Details of all current grant schemes should be available on the CBC website
Due diligence checks on the application / applicant	<ul style="list-style-type: none"> <li>• Lead officer</li> <li>• Finance (if required)</li> <li>• SWAP (if required)</li> <li>• CFEU (if required)</li> </ul>	As per Grants toolkit recommendations
Assessment Panel	<ul style="list-style-type: none"> <li>• Lead cabinet member</li> <li>• Member of Leadership Team</li> <li>• Representative of funding body (e.g. NHS for Health &amp; Wellbeing Grants)</li> <li>• Representative of impartial voluntary sector organisation with knowledge of the subject area</li> </ul>	<p>Lead officer is there to facilitate the panel, providing information, liaising with applicants if more information is needed and recording decisions.</p> <p>For the avoidance of doubt the Lead officer is not part of the decision making.</p>

Stage	Who should be involved	Notes
Decision making – as per scope of scheme, policy requirements or level of funding	<ul style="list-style-type: none"> <li>Formal decision by either the Lead Cabinet Member (via a delegated member decision), or Cabinet or Delegated Officer decision</li> </ul>	Decisions must be recorded on appropriate decision making forms and sent to democratic services to ensure publication on the decision making register
Communication with applicants	<ul style="list-style-type: none"> <li>Lead officer</li> </ul>	
Issue of grant agreements for signature to recipient and return to overseeing body	<ul style="list-style-type: none"> <li>Lead officer</li> <li>One Legal (unless using a template prepared by One Legal for use for grants under £10,000)</li> </ul>	<p>No grants should be paid without a signed grant agreement being in place.</p> <p>Grant agreements should be signed by the recipient in accordance with the stipulated timescales to ensure funding is not withdrawn</p> <p>One Legal advice should be sought to ensure all contractual arrangements are met</p>
Processing of grant payments	<ul style="list-style-type: none"> <li>Grant budget holder</li> <li>Finance</li> </ul>	This part of the process should include a clear segregation of duties to ensure transparency and probity. The Lead officer should not be responsible for approving payments.
Collation of monitoring information	<ul style="list-style-type: none"> <li>Lead officer</li> </ul>	Where appropriate, assurance checks need to be conducted to ensure funding has been spent in accordance with the funding terms and conditions or within any requisite time period.
End of grant scheme summary report	<ul style="list-style-type: none"> <li>Lead officer</li> </ul>	Details of all grants made should be published to the CBC website or reported

## 6. Developing a Community Grant Scheme

- 6.1 In developing a community grant scheme, the Council will have greater flexibility in the design and aims of the scheme. Consideration should be given to which organisations are eligible to apply (for example not for profit organisations, voluntary sector organisations, charities) as well as bodies which are not eligible to apply (for example individuals or groups that are not constituted). This information must be clearly detailed in the application guidance.



- 6.2 Grants should only be made to constituted groups or organisations with a designated business bank account. Community grants will not be made to individuals.
- 6.3 The criteria that applicants should meet must be pre-determined, considering the purpose of the grant scheme. These should be clearly defined and detail outcome priorities.
- 6.4 When developing a grant scheme, approval must be sought from the Leadership Team, and the appropriate people must be consulted to ensure any legal and financial implications are considered.
- 6.5 Applicants must be allowed a reasonable window in which to apply following notification of the grant scheme that is clearly publicised. The application process should also advise how long the verification and decision period will take before they are notified of any successful application.
- 6.6 Standard application form templates are available and should be used and adapted using online tools such as MS Forms.
- 6.7 The grant scheme should be promoted widely, using the Council's website and social media channels as well as via elected members, stakeholders and the Council's partners.
- 6.8 Details of the funded projects should be publicised and should also be considered when allocating grants to ensure that funding is spread across as many organisations as possible.
- 6.9 The grant agreement with successful applicants should include the requirement to acknowledge the support of the Council in all publicity material associated with the project as well as to follow the publicity guidelines from other funders who have contributed to the fund. The agreement should also stipulate that the Council reserves the right to use such material and any photographs of the project in its own publicity material.
- 6.10 Adequate time must be allowed for the assessment and awarding process to ensure applications can be sufficiently considered before payments deadlines are set.
- 6.11 An assessment panel should be formed to assess applications and the recommendations from the panel, once finalised, will need to be approved through the relevant decision-making process.

## **7. Funding Agreements**

- 7.1 One the formal decision about which projects will be funded has been made, the lead officer issues a grant funding agreement to successful applicants. Standard templates must be used and must be approved by One Legal and must be signed by an appropriate member of Leadership Team, or if agreed, Senior Officer within the Council.
- 7.2 The grant recipient should be advised of a clear deadline for returning the signed copy, otherwise the grant agreement could be deemed invalid.
- 7.3 Where the grant is administered on behalf of Central Government then the recipient must agree to the terms and conditions stipulated in the scheme guidance.





- 7.4 All funding agreements include as a minimum:
- 7.4.1 Agreed aims of the project and any conditions
  - 7.4.2 The level of funding
  - 7.4.3 Funding term
  - 7.4.4 Terms and conditions including:
    - Arrangements and conditions for the payment of grant
    - Reporting and monitoring arrangements
    - Health and safety
    - Indemnity and insurance
    - Child protection and safeguarding
    - Publicity and promotion expectations
    - Subsidy control rules

## **8. Performance Outcomes**

- 8.1 Outcomes are taken from the grant application and are included in the project funding agreement.
- 8.2 The monitoring arrangements should be stipulated in the application process and where money is provided at the commencement of the project or in stages then regular reporting is required (minimum quarterly).
- 8.3 These should demonstrate how the project is achieving aims and objectives and how the organisation is ensuring the money is distributed fairly and correctly.
- 8.4 Final monitoring reports should be received within one year of the grant being awarded (unless by prior agreement), but any grant claim request during the grant period must be accompanied by a progress report to date.
- 8.5 Detail must be provided at the outset on how long the Council expects documentation and project delivery paperwork to be kept for monitoring and audit purposes.
- 8.6 The council reserves the right to withhold payment of funding where the monitoring requirements are not met.

## **9. Grant Scheme Monitoring**

- 9.1 Payments may be made in arrears upon completion of the project and submission of a grant claim and monitoring report.
- 9.2 Where staged payments are made on delivery of outcomes timescales should be agreed at the outset and be dependent on receipt of interim reports. A small amount may need to be withheld pending receipt of the final monitoring report.
- 9.3 The standard grant monitoring template should be used, and must include as a minimum:
  - A description of how the grant was used and how it met the aims of the grant scheme.

- A breakdown of spend
- A breakdown of other support that the project was able to use
- What checks and monitoring of spend were completed
- How the project impacted its beneficiaries
- How many people were involved
- Volunteer effort given to the project
- Feedback received by the project
- Future plans

9.4 All grant monitoring templates should be sent to [communitiesteam@cheltenham.gov.uk](mailto:communitiesteam@cheltenham.gov.uk) so that they can be centrally collated for periodic review by the Leadership Team.

9.5 Payment must not be made until a signed grant agreement has been received.

9.6 If an organisation is not set up on the Council's payment system they will be required to complete the appropriate documentation to enable the Council to make payment.

9.7 To ensure appropriate segregation of duties, payments of grants must be authorised by someone other than the Lead Officer.

## **10. Due Diligence Checks and Verification**

10.1 The required due diligence and verification checks should be determined at the start of the grant process. These should be built into the application form and communicated so that all applicants are aware of the documentation they will be required to provide when making the application.

10.2 This documentation should be provided with every new grant application request for all organisations, regardless of whether they have received funding before. Applications which do not include the required documentation must not be accepted.

10.3 The grants toolkit provides guidance on the minimum verification and due diligence checks which must be undertaken but further advice and guidance can be provided by the Counter Fraud and Enforcement Unit or Internal Audit.

## **11. Data Protection and Transparency**

11.1 Data must be handled in line with the Council's Data Privacy Policy.

11.2 Due regard should be given to the internal processes and systems required to administer a grant scheme. It is likely that the lead officer will receive a significant amount of organisational data that contains sensitive information such as bank account details, names and addresses etc. This data must be handled appropriately and in line with regulations around data protection principles.

11.3 Data must not be kept longer than necessary, and the lead officer must consider timeframes for deleting information related to applications that were unsuccessful in their funding application.



11.4 It is advised that files for successful applications should be kept for 7 years.

11.5 Appropriate systems should be set up to record necessary information, ensuring that only authorised staff have access to any sensitive information. Records should be kept in relation to:

- A spreadsheet to record details of all applications received such as date received, details of supporting documents submitted, when the application was acknowledged etc.
- Applications should be given unique ID numbers that will help to easily identify them.
- A separate folder should be created for each applicant to hold all relevant information about each organisation in one place such as application, constitution and accounts.
- If an applicant is successful then the grant funding agreement, details of payments and monitoring submissions with copies of any correspondence.
- Details of recommendations for all applications and scoring matrixes for an appropriate amount of time after the assessment, for example if an applicant requests feedback on why their application was not successful.
- Decisions relating to grant funding should be kept.
- A copy of all the grant paperwork such as guidance notes, regulations, legal agreements and Policies.

11.6 Details of all current grant schemes are available on the Council's website.

11.7 Decisions relating to grant funding should be made accessible to the public.

11.8 All grants made to voluntary and community sector organisations should be published on the council's website at the end of each financial year.