



DERBY CITY COUNCIL

DERBY CITY COUNCIL GRANT FUNDING PROCEDURE

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1. Introduction

- 1.1 The Grant Procedure Rules are to be used in conjunction with the Council's Commissioning Framework for the Voluntary and Community Sector (VCS), to provide guidance and support for all Council Officers involved in the allocation and management of Council Grant Funding programme. For the purposes of this document, the Voluntary and Community Sector should be understood to include social enterprise.
- 1.2 The Commissioning Framework for the VCS provides guidance on whether a service should be procured, in which case Contract Procedure Rules apply, or whether it should be Grant Funded, in which case these Grant Funding Procedure rules apply.
- 1.3 Employees and Council Members should familiarise themselves with the Commissioning Framework for the Voluntary and Community Sector, and the Derby Compact and understand how they impact on their area of work, prior to implementing Grant Procedures or Contracting with the VCS.
- 1.4 Grant Funding Procedure Rules have the following primary objectives:
 - To ensure that the Council can demonstrate that it fulfils its duty of achieving value for money
 - To ensure that allocation and management of grant funding complies with the principals set out in the Derby Compact
 - To ensure that the process for the allocation of grant funding complies with the Council's Constitution
 - To provide rules and procedures which protect Members and Officers of the Council from any allegation of acting unfairly or unlawfully
- 1.5 Grant Funding Procedure rules apply when funds are allocated to the VCS which are not required to be formal tender as outlined the Council's Commissioning Framework.
- 1.6 Grant Funding Procedure rules will also apply where the Council is part of a partnership (e.g. Derby Community Safety Partnership) and the lead agency or accountable body for the funds which are to be allocated.

2. Key and Non Key Decisions

- 2.1 Details on the process for non-key decision can be found in the Council's Constitution (Part 4, Page 29, Section A119 of Derby City Council's constitution) and are as follows.
- any decision in relation to an executive function which results in the Council incurring expenditure which is, or the making of savings which are, significant, having regard to the Council's budget for the service or function to which the decision relates
- or
- any decision that is likely to have a significant impact on two or more wards within the Council
- 2.2 'Significant impact on two or more wards' means any decision which is likely to have a significant positive or negative impact in environmental, physical, social or economic terms on people living or working in communities in two or more wards. This includes policies, procedures and strategies not included in the policy framework other than minor policies and procedures that do not have a significant impact on two or more wards.
- Any decision involving the making of a grant or loan over £25,000 to any voluntary body will be deemed to have a significant impact on two or more wards.

Key Decisions

- 2.3 All grant recommendations of over £25,000, must be taken to Council Cabinet to ensure public accountability. The Council Cabinet Report must set out the rationale for the recommended funding and follow the prescribed template.
- 2.4 Decisions to award multi-year grant revenue funding (eg 2 or 3 years) for a new service or project should be taken to Council Cabinet following an application process, irrespective of the amount of funding involved. This rule applies whether the idea for the project was initiated by the VCS, or by the Council / NHS Derby City.
- A 'closed' application process should only be used where it is clear that there are no other potential providers with the necessary experience and capacity to deliver the service, for example, where it is known to be only one organisation providing specialist services for a particular client group.

Non Key Decisions

- 2.5 Where the Council acts as the lead agency for joint grant funding, or provides grant funding independently, decisions on grant funding of under £25,000, which do not have a significant impact on two or more wards can be made by a chief officer, in accordance with delegated powers, but only in consultation with the relevant Cabinet Member.

Where non key delegated decisions are taken to award grant funding of up to £25,000, without taking the decision through Council Cabinet, the reasons for the decision must be contained within a report and a written record must be made both of the chief officer decision and of the approval of the Cabinet Member.

Non-key delegated powers to award grant funding of up to £25,000 should only be used in the following circumstances:

- Where it is necessary to increase the value of an existing grant funding agreement, to ensure continuity of services and / or to maintain the viability of a voluntary sector organisation, which is known to provide good value for money services, monitored under an existing agreement.

Or

- To award small grants or to award grants for one-off capital expenditure or single year revenue funding, following a formal application process.

3. Joint funding with Primary Care Trusts

- 3.1 Where NHS Derby City or Derbyshire County PCT acts as the lead agency for grant funding, a Section 76 grant funding agreement should be used.
- 3.2 Where the Council is the lead agency in a joint agreement, a Section 256 grant funding agreement should be used.
- 3.3 A Section 75 agreement may also be used for pooled budgets.

4. Compact Performance Checklists

- 4.1 The Compact Performance Checklists make it easy to assess whether officers are using the Compact in a practical way and to plan partnership working, ensuring that grant funding, commissioning and procurement processes and engagement activities comply with the principles and commitments set out in the Derby Compact. Before using these checklists you need to make yourself familiar with the Derby Compact. A Compact Checklist should be used whenever you undertake the following:

- Setting up a new cross-sector partnership
- Engaging in wide communication, including consultation
- Developing, amending or reviewing an existing strategy, policy or project
- Running a grant funding programme or changing grant funding processes
- Running a formal procurement or tendering process

5. Application Forms, Guidance and Criteria

- 5.1 A corporate application form and guidance template has been devised by the Compact Implementation Network (CIN). The CIN is made up of officers with responsibility for grant funding and partnership working with the Voluntary and Community Sector from across all departments of the Council and NHS Derby City. Use of these application form and guidance templates are a mandatory requirement for processing grants. A copy of these documents can be obtained by contacting a member of the Voluntary Sector Team on 01332 255669 or voluntarysectorteam@derby.gov.uk
- 5.2 Clear eligibility criteria need to form the basis of funding decisions and should be based on Corporate and / or Directorate objectives. These need to be made available to potential applicants in appropriate formats.

6. Advertising Grant Funding Opportunities

- 6.1 There must be at least six weeks from the issuing of publicity, or notification to funded organisations, to the deadline for funding any new application.
- 6.2 All grant funding opportunities must be advertised, as a minimum, on the Derby City Council website (www.derby.gov.uk) and through the Derby City Partnership e-bulletin.
- 6.3 Where possible, application forms and guidance should be made available for download on the Derby City Council website (www.derby.gov.uk)

7. Appraisal Panel and Scoring Applications

- 7.1 The appraisal panel assessing grant applications should be made up of officers of the Council and / or the PCT / other Local Authority for joint schemes and the Cabinet Member of the relevant programme area and members of the VCS where appropriate.
- 7.2 A scoring method may be adopted by the appraisal panel. It is advised that the scoring system should reflect the desired outcomes of the funding stream.

8. Recommendations

- 8.1 All recommendations should be authorised as outlined in section 2 of this guidance.

9. Funding Agreements

- 9.1 There are three Funding Agreement templates which can be used depending on the level of funding allocated. These are as follows:
- Up to £5,000
 - Between £5,001 and £25,000
 - Over £25,000
- 9.2 Prior to the issue of a Funding Agreement, the funded organisation should complete Form One - Preliminary Check, to ensure that all basic requirements and standards are in place before the project or service commences.
- 9.3 Terms and conditions of funding are standard and should not be changed without prior approval from a solicitor in the Council's legal section.
- 9.4 The service description should be amended to meet the needs of the funding stream, desired outcomes negotiated around the service to be provided.
- 9.5 Copies of all the funding agreement template are available from the Voluntary Sector Team. Telephone 01332 255669 or email voluntarysectorteam@derby.gov.uk

10. Monitoring and Review

General principles

- 10.1 The Council is committed to joining up and streamlining how projects are monitoring and evaluated. Appropriate levels and frequency of monitoring and evaluation should take place to ensure that VCS organisations are delivering a good quality of service, that they are meeting their objectives and provides the opportunity to adopt services to reflect current and changing priorities.
- 10.2 A number of principles underpin the framework for monitoring and evaluating services to ensure a cycle of continuous improvement, development and a degree of flexibility. This approach will ensure the individuality of VCS organisations and the unique services they provide. The Council also ensure compliance with agreed joint principles as set out in the Compact. Principles of monitoring and evaluation include:
- Proportionality – the degree of information required should be in relation to the size and complexity of the service funded
 - A clear, agreed monitoring framework should be established from the outset and agreed between the commissioner and the provider
 - Relevant, necessary and useful information only should be collated

- The results of monitoring need to feed back into the planning process
- Duplication of monitoring requirements between funders should be avoided and other internal and external quality frameworks should be taken into consideration
- Monitoring should be outcome-focussed, linked to targets and strategic priorities
- Monitoring should be part of a continuous improvement cycle, where information is evaluated and changes / developments are implemented as a result
- Contingency planning should be undertaken, in the event that demand / activity is above or below expected.
- Additional support may be needed in the early stages and the Council should encourage organisations to discuss any problems at an early stage.

11. Final Year Review

- 11.1 During the final year of each Funding Agreement, a final year review should be undertaken which will form the recommendation for future funding.
- 11.2 The Final Year Review form has been designed to enable Voluntary Sector Organisations (VSO) to self assess their performance. The form should therefore be sent to each VSO, returned to the Council officer responsible for managing the project and a meeting scheduled which the VCO and partner agencies, where appropriate, to discuss further.
- 11.3 The information gained from this review can be used to form recommendations which must be approved by Council Cabinet.

Appendix A – Supporting Documents

Derby City Council's Constitution	http://cmis.derby.gov.uk/CMISWebPublic/PublicDocuments.aspx?folderID=1
Commissioning Framework for the Voluntary and Community Sector	INSERT LINK
Contract Procedure Rules	http://derbynet/derbynet/download.asp?RefNum=1868
Derby Compact	INSERT LINK
Compact Performance Checklists	http://www.derby.gov.uk/dccwebdev/pcf/dcfforms.aspx
Corporate Application Form Template	INSERT LINK
Guidance Notes for Application Form	INSERT LINK
Preliminary Check	INSERT LINK
Final Year Review Form	INSERT LINK
Funding Agreement Template – Under £5,000	INSERT LINK
Funding Agreement Template – Between £5,001 and £25,000	INSERT LINK
Funding Agreement Template – Over £25,000	INSERT LINK
Cabinet Report Template	INSERT LINK
Non Key Delegated Decision Template	INSERT LINK