

## **Part G – Appendices**

### **Section G4F:- Finance and Contract Procedure Rules (External Arrangements)**

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## **Receiving Grants & External Funding**

### **F1 Definition**

- F1.1 External funds can come from a variety of sources including Central Government Departments, European Union, National Lottery, private sector companies, charitable bodies, trusts, foundations or individuals.
- F1.2 For the purposes of this section “external funding activity” means any plans to seek external funding sources for projects or any funding bids being prepared or planned.
- F1.3 All external funding bids must be aligned with the Council’s priorities and have secured all resources necessary for successful delivery of the project.

### **F2 Authority to Submit and Accept Bids for External Funding**

F2.1 The approval process seeks to obtain approval to submit the bid, to accept the bid and to incur the expenditure (if successful) as a single approval process. This would mean that a separate supplementary revenue or capital estimate would not be required once the bid was accepted (provided that the grounds for accepting the bid are reasonable and not substantially different to the grounds upon which the bid was made).

#### **F2.2 Roles and responsibilities**

- (a) Directors must ensure any external funding activity has a Bid Lead Officer;
- (b) Bid Lead Officers must liaise with their Director to ensure that all necessary permissions are obtained;
- (c) Bid Lead Officers must work with their Director to undertake bid quality assurance and project risk assessments to identify budget implications, together with information on how the additional running costs/maintenance costs are to be funded. Bid Lead Officers must also consult the Departmental Finance Manager regarding the financial implications of the bid, including staffing resources;
- (d) Bid Lead Officers must provide their Director with the sources and amounts of match funding and the corporate priorities the proposed project meets;
- (e) The Director may decide to delegate these powers/responsibilities. Such delegations must be evidenced in writing but the delegator will remain ultimately responsible for ensuring compliance with these rules.

### **F3 Submitting External Funding Grant bids**

F3.1 Bid submissions must be authorised in line with table 1 prior to submission. Approvals limits are based on the total value of the grant plus any Council contribution required in order that the full cost implications of such proposals can be considered and approved.

**Table 1: Approvals for the submission and acceptance of all external funding grant bids**

<b>Approval Route</b>	<b>Authorisations Required</b>	<b>Consultation Required</b>	<b>Total Value</b>
ODN	Bid Lead Officer	Departmental Finance Manager	Up to £50,000
ODN	Service Director	Department Finance Manager	£50,001 - £100,000
ODN	Service Director Director of Finance	Relevant Cabinet Member	£100,001 - £250,000
ODN	Service Director Director of Finance	Relevant Cabinet Member Cabinet Member for Legal and Finance	£250,001 - £500,000
Committee Paper	Cabinet		Over £500,000
Any bid requiring funding from Council reserves			
Committee Paper	Council		Any level

F3.2 Authority to submit/accept bids is based on the total value of the grant plus any Council contribution required over the lifetime of the project/bid:

- revenue expenditure (within existing budgets);
- capital expenditure (within approved programme);
- support in kind from existing resources (including staff time);
- additional costs funded from reserves.

For the purposes of this section the term “within existing resources” means that there must be money available (uncommitted funding) within existing service area budgets.

F3.3 Any bid requiring funding from general reserves (including the Capital Reserve) regardless of value, must be approved by Council.

F3.4 Bid Lead Officer will be responsible for obtaining the necessary authority and producing a briefing note for bids over £100,000, circulated to all Members.

## **F4 Accepting Grants**

- F4.1 Approval to accept and utilise grant funding should be sought as part of the original bid process. Should the final offer be for a significantly different amount or reflect significantly different objectives to the original submitted bid, the Bid Lead Officer should seek advice from the relevant Departmental Finance Manager as to whether further approval is required.
- F4.2 Bid Lead Officers must consult the Director of Governance regarding grant agreements before the acceptance of any grants. Grant agreements must be signed by the relevant authority as set out below.
- F4.3 Where the grant received will fund the undertaking of an activity not originally identified in the approved budget, or the funding received reflects an overall increase in the cash income or expenditure of the Council, a supplementary revenue estimate or a virement will automatically be actioned following confirmation of acceptance of the grant. This will increase the approved budget in the relevant service area.

## **Allocation of Grants, Donations and Other Discretionary Contributions**

### **F5 Policy and Approval of Funding Intentions**

- F5.1 The Cabinet will, on a periodical basis, agree the approach to be taken to the funding of, and investment in groups that further social, environmental or cultural objectives, such as voluntary and community organisations, faith groups and social enterprises (including the allocation of grants, donations, and other discretionary contributions). The policy will specify the scale, nature and terms of such support.
- F5.2 Funding intentions of this nature must be approved annually by the Cabinet or its nominated representative. As well as third sector funding, this should include discretionary payments to any type of organisation to sponsor or promote events that are outside the Council's normal activities.
- F5.3 Further approval will be required for grants, donations or other discretionary contributions not originally included in the annual report to the Cabinet as follows:

<b>Approval level</b>	<b>Value of Contribution</b>
Directors	Up to £10,000
Directors in consultation with Director of Finance and Director of Governance (or their nominated deputy) and relevant portfolio holder	£10,001 to £50,000
Cabinet Member Legal & Finance and relevant portfolio holder	£50,001 to £500,000
Cabinet	£500,001 - £1m
Council	Over £1m

F5.4 A central register of all grants, donations or other discretionary payments will be maintained by the Director of Commissioning People.

## **F6 Written Agreements**

F6.1 All discretionary grants, donations or other discretionary financial contributions, whether contractual in nature or not must be set out in a written agreement, the content and format of which must be approved by the Director of Governance. The written agreement templates will:

- a. Provide a set of standard conditions that apply to all grants, donations or other discretionary financial contributions;
- b. Allow officers to set out the funding purpose, duration, outputs, performance targets, monitoring and audit requirements, method and timescale for payment, and any specific conditions that need to be applied to the award.

F6.2 Before using any of the standard templates, advice should be sought from Legal Services where any of the following apply:

- a) The agreement has, or may have TUPE implications, in respect of the transferring of staff or services from one organisation to another (including the Council);
- b) The agreement has been brought about by a joint procurement or commissioning process involving parties external to the Council;
- c) The agreement includes arrangements for the leasing of premises from the Council other than by way of a standard full-market rent payment funded through the agreement;
- d) All or some of the funding has been sourced from finances external to the Council's own budget. i.e. is funded wholly or in part through external funding;
- e) The funding includes support for capital expenditure as defined by the Council's Financial Regulations at the time the support is awarded.

F6.3 Written agreements must be signed by the relevant authority as set out below:

<b>Value of the grant given out by the Council</b>	<b>Authorised Signatory</b>
Up to £100,000	Two authorised signatories as set out in the Service Scheme of Financial delegation
Over £100,000	Sealed as a deed by Legal Services

F6.4 The Code of Practice of Finance Management provides further guidance on key considerations and requirements in relation to the provision of grants, donations and other discretionary contributions

## **F7 Funding Conditions**

F7.1 Where funding for outside bodies is provided by third parties, for example Central Government, Officers must ensure that the funding is used in a way that complies with any conditions attached by the funding provider.

## **F8 Reporting**

F8.1 In accordance with the 2014 Local Government Transparency Code, the Council is required to externally publish actual payments to third sector organisations on an annual basis.

F8.2 Actual payments made will be published on the Council's website by the end of April following the financial year to which they relate, and reported to Cabinet or its nominated representative.

## **F9 Changing Existing Arrangements**

F9.1 Before changing existing arrangements with the voluntary, community and faith sector, whether funded by grants or procured competitively, Officers shall ensure that:-

- a) an Equality Impact Assessment is carried out and the outcome taken into account in decision making;
- b) the Council's Compact for Cheshire West and Chester is complied with;
- c) a minimum 3 months written notice to withdraw funding is provided to the voluntary, community or faith sector organisation;
- d) consideration is given as to whether TUPE applies;
- e) any guidance issued by the Council on de-commissioning is followed.