Protocol for Developing a Grant Scheme

Guidance Notes for Officers

Lancashire
County
Council

Administering a grant scheme can be complex and due regard should be given to important factors when developing and launching a scheme such as pre-determined criteria, the application process, assessment and selection, advertising and monitoring and evaluating outcomes.

It is important that adequate systems and procedures are put in place to assess the suitability of grant applications to ensure the application process is fair, transparent and fit for purpose.

If you need further guidance or advice you can contact Democratic Services on 01772 530818.

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Introduction

Throughout the authority there are a number of Services that are responsible for delivering grants to third sector organisations and voluntary bodies across Lancashire. This guide is designed to provide members, officers and Services with guidance that should be considered when developing and launching a new grant scheme.

The County Council makes Grants under the general power of competence set out at Section 1 of the Localism Act 2011, which replaces the well-being power in Section 2 of the Local Government Act 2000 for local authorities in England. Section 1(1) of the Localism Act sets out that a local authority has power to do anything that individuals generally may do.

Grants are funded from public funds and as a local authority we are accountable and have a duty to ensure that funding is distributed properly, spent lawfully as originally intended and that processes used to determine grant recipients are fair and transparent.

Government Advice

The Cabinet Office has published updated guidance in July 2018 to all grant funding departments. The guidance supports grant makers in complying with the Government Functional Standard for General Grants and details 10 minimum standards that all grant making bodies should adhere to:

1. Senior Responsible Owner

All government grants shall have a named Senior Responsible Owner (SRO) with clearly defined responsibilities throughout lifetime of grant.

2. Governance, Approvals and Data Capture

Departments shall ensure they have a robust grants approval process to approve spend over £100k, and that details of all current grant schemes and awards are available on the Government Grants Information System (GGIS).

3. New Grants Advice Panel

New government grants, including those that are high risk and novel and contentious, as well as those undergoing a step change in scope or funding, should be considered for submission to the New Grants Advice Panel (NGAP) for scrutiny and advice from subject experts.

4. Business Case Development

A robust business case, proportionate to the level of expenditure and risk, shall be developed for all government grants. This should be scrutinised and approved in stages, as part of grants approval process, in line with the guidance in Managing Public Money.

5. Competition for Funding

Government grants should be competed by default; exceptions may be approved where competition would not be appropriate. Detailed supporting evidence for any direct award decision should be provided in the approved business case.

6. Grant Agreements

All government grants shall be awarded through robust grant agreements, proportionate to the value of the grant and which reflect the Functional Standard for government grants, in line with guidance in Managing Public Money. All government grant agreements shall include terms of eligible expenditure.

7. Due Diligence and Fraud Risk

All government grants shall be subject to timely and proportionate due diligence and fraud risk assessment.

8. Performance and Monitoring

All government grants should have outputs agreed and longer-term outcomes defined, wherever possible, to enable active performance management, including regular reviews and adjustments where deemed necessary.

9. Annual Review and Monitoring

All government grants should be reviewed annually at a minimum with a focus on financial reconciliation, taking into account delivery across the period, resulting in a decision to continue, discontinue or amend funding.

10. Training

All those involved in the development and administration of grant awards should undertake core training in grant management best practice.

Further information, including specific guidance on each of the 10 standards can be viewed here:

https://www.gov.uk/government/publications/grants-standards/grant-standards

Developing a Grant Scheme

Who can apply for the grant?

Before developing a grant scheme, think about who the grant is aimed at and which organisations are eligible to apply, for example, third sector organisations, voluntary bodies, registered charities, community groups, community interest groups, companies limited by guarantee and social enterprises are just some of the types of organisations that may wish to apply. You also need to think about which bodies may not be eligible to apply, for example, statutory organisations such as the NHS or schools. The eligibility criteria is important and this information should be detailed clearly in guidance issued to applicants so that organisations do not waste valuable time and effort in making an application if they are not eligible to do so.

Developing criteria for the grant scheme

A key element to developing a grant scheme is defining pre-determined criteria that applicants must meet in order to be considered. Think about the purpose of the grant scheme, what the priorities, desired outcomes or targets are that the scheme hopes to achieve. Local authority grant schemes are often linked to achieving corporate priorities that are aligned to a particular strategy or framework such as the Corporate Strategy, if so, working towards delivering these outcomes or targets may form part of the criteria.

Consider whether organisations must be 'not for profit' and whether individuals can apply or groups that may not be fully constituted, if your scheme is open to small grass root organisations some may not have a formal constitution in place, in which case consider whether a set of rules or some other form of documentary evidence such as minutes of meetings are acceptable. The county council makes payments by BACS transfer and organisations will need an organisational bank account for payments to be made.

If the funding application will result in an organisation working directly with children or vulnerable adults then as a funder you must ensure that you are satisfied that the organisation has robust safeguarding policies in place to do so. As a local authority we also have a duty to ensure that organisations are complying with the Prevent Duty requirements and this should be included in the criteria.

Guidance notes or advice on how to apply should clearly define the criteria for the scheme, informing organisations what the basic requirements for applying are and detailing what organisations are expected to deliver.

Detailed below are **examples** of criteria, these are just examples, and this is not a restrictive list. Each grant scheme will have its own purpose and uniqueness which will need to be considered when setting the criteria:

- Organisations must have a constitution, governing document, articles of association or set of rules in place.

- Organisations must have a bank account in its own name with at least two unrelated authorised signatories.

- Organisations must be a 'not for profit' organisation.

- The proposed activity has clearly defined outcomes that meet one or more of the priorities as defined in the relevant strategy/framework.

- Organisations applying for funding to support and/or work directly with children and/or vulnerable adults, MUST supply appropriate Safeguarding Policies relating to children and/or vulnerable adults. Organisations MUST also ensure that they are complying with the requirements of the Disclosure and Barring Service in relation to this, as well as ensuring that their staff and volunteers having undergone appropriate (standard or enhanced) checks with the Disclosure and Barring Service (DBS) with appropriate Barred list checks were eligible, in accordance with guidance, for all the individuals involved (both staff and volunteers). The only exception to this is where parents accompany their **own** children.

- Each application must be in compliance with the Prevent Duty requirements (were an organisation does not support or provide a platform for extremists or their views). https://www.gov.uk/government/publications/prevent-duty-guidance

- Applications should demonstrate a commitment to value for money and the desire to be more sustainable and less grant reliant in the future. Applicants that show consideration to other opportunities i.e. income generating ideas, match funding and joint working will be looked upon more favourably.

Governance arrangements and supporting documentation

Organisations should have the necessary governance arrangements in place to apply for grant funding. Consider what supporting documentation they will need to submit as part of the application process to confirm this.

Examples of documentation you may wish to see are detailed below, these are just **examples**, and is not a restrictive list. Not all organisations will have all the documents listed below, you will need to determine which documents you consider to be essential to the application process. If the organisation is working with children or vulnerable adults as part of their project you will need to ensure that they have the necessary policies and procedures in place and request to see a copy of it.

- Copy of the most recent published Accounts (audited where appropriate)
- Bank Statement
- Constitution/set of rules/governing document
- Business Plan
- Child/Vulnerable Adult Protection Policy
- Annual Report
- Equal Opportunities Policy
- Environmental Policy
- Complaints Procedure
- Quality Assurance Scheme

How much funding is available?

If possible, clarify from the start of the funding programme how much funds are available and what can and can't be funded. If for any reason you are unable able to commit to an exact amount (for example the amount available could go up or down) inform applicants so they are aware changes may occur and expectations can be managed. Think about any other considerations in relation to the amount of money available and ensure this information is detailed clearly in advice issued to the applicant, for example:

- Will the grant scheme have a minimum and/or maximum limit that applicants can apply for?
- Are organisations only permitted to submit one application or can they apply more than once?
- Is this a one off funding pot or will the scheme potentially be available for future years?
- What happens if you are unable to allocate the full funds in the first round, will you open up for a second round of funding later in the cycle? If so factor this into your timetable.
- Is the funding available for one year or can the applicant apply for more than one financial year?

What can and can't the scheme fund?

Think carefully about the type of projects that the scheme is looking to support and additionally the types of projects or activities it will not support. If this is not clear from the beginning, an organisation may challenge this, if you later decide you do not wish to support something that was not clearly mentioned in the guidance.

What can and can't be funded will depend significantly on what kind of funding scheme you are establishing, some schemes may have a particular focus on revenue funding such as staff salaries, rent, utilities, others may not support revenue costs and may be specifically project funding. It may be that as part of the project costs you are happy to accept a portion of staff salary costs to cover the specific project. The **examples** detailed below are not restrictive and each grant scheme will need to consider its individual uniqueness and purpose:

Examples of what can be funded:

- Provision of equipment such as sports equipment, play equipment, computer hardware etc.
- Community events/activities such as: advertising and publicity, equipment and material, transport etc.
- Projects to improve the environment e.g. tree planting, flower beds.
- Repair or refurbishment of equipment or property which will benefit the community.
- Activities to improve the health and wellbeing of residents, vulnerable or isolated people, such as outings, clubs, health and fitness.

- Training costs
- Core costs of an organisation including staff salaries, rent and utilities.

Examples of what you may not wish to fund:

- Individuals or where the benefit is for one person only.

- Applications for core costs or on-going project costs, for example costs such as rent, utilities or on-going salaries.

- Applications for research activities or to help pay towards legal fees.

- Applications where the request for funding is not for a new project, initiative or activity.

- Applications from statutory bodies including:
  - Parish and Town Councils
  - schools, colleges or universities
  - health authorities or for activities that should be funded by the health service;
  - animal welfare organisations.

- Applications to fund religious or political activities (faith based organisations are eligible to apply).

- Applications from groups whose sole purpose is to campaign, or any campaign activity.

- Applications to fund retrospectively, meaning support for work that has already taken place prior to the agreement of funding.

- Applications to fund projects for the benefit of people who are not a resident of Lancashire.

- Any application that is unlawful or is contrary to County Council Policies and Procedures.

Application Process

The application process should be fair and transparent and there should be a clear method to apply such as a structured application form, making the process equitable for all organisations applying. If you are requesting organisations to submit expressions of interest instead of an application form, provide clear guidelines on what you expect the expression of interest to cover. The application process should be clear and user friendly, and consideration should be given to information being accessible for people with a disability or sensory loss so that further support can be provided if necessary.

Standard application forms can be created and completed by applicants in Word and can be shared through the county council website or via email. If your application process is more complex you may wish to consider developing an online system where applicants can complete the application form online and submit supporting documentation through a portal, IT Services can advise further. If more than one member of staff is responsible for receiving completed applications consider setting up a Team Mailbox to ensure nothing is missed. Always acknowledge receipt of applications and ensure this is emphasised in the application process.

Application Form

Clearly structured guidance and questions on the application form are invaluable for the applicant and those assessing the application to make an informed assessment, therefore it is important to consider carefully what information you need from applicants.

Each application form will be unique depending on its purpose but generally speaking consideration can be giving to the following sections on an application form:

- **Contact details** – address, contact person, email and telephone number, website etc.
- **Governance arrangements** – what kind of an organisation are they, what policies they have in place, which documents they are providing you copies of as part of the application process.
- **Project/activity** – what the organisation is requesting funds for and how this meets the purpose of the scheme, start and end date of project activity and which area will benefit from the funding.
- **Funding** – the amount of money the organisation is requesting and over what period, are they requesting the whole project costs, or are they match funding from other sources etc. A financial breakdown of costs for the project is important.
- **Priorities and Impact** – how will the project meet the aims and priorities of the funding scheme and what proposed impact will it have.
- **Need** – How has the organisation determined there is a need for the project to take place? What evidence has been considered?
- **Outcomes and beneficiaries** – what are the expected outcomes of the project and who are the beneficiaries?
- **Risks and contingency plans** – what are the risks involved if things do not go as planned and what contingency plans will the organisation will put in place if things go wrong.
- **Monitoring and evaluating** – how will the organisation monitor and evaluate the project when it is completed? Are there defined milestones for the project?
- **Success of project** – how will the organisation monitor the project to consider if it has been successful in achieving its outcomes.
- **Future plans** – what does the organisation hope to do following completion of the project.
- **Details of other funding -** has the organisation applied to the county council previously and if so what for? Is the organisation currently receiving funds?
- **Diversity information** – you may wish to collect diversity information about the organisation applying such as age range, what types of groups will predominantly benefit.
- **Signed declaration** – to declare that to the best of the applicant's knowledge they have provided information that is correct and accurate and that if they are successful in their funding bid they will use the funds only as detailed in their application.

Guidance Notes

Guidance notes should clearly detail the application process from start to finish for the applicant. The length and detail of guidance notes will depend on the complexity of the grant scheme. Consider the following general areas of advice that applicants need to know about in order to complete the application process:

- Criteria and priorities of the scheme
- What can and can't applicants apply for?
- Timescales and deadlines
- How much funding is available and when for
- Guidance about completing the application form
- Working with children and/or vulnerable adults
- How the application will be assessed
- Details of references if required
- Signed declaration from representatives of the organisation
- Checklist of what applicants need to submit with their application
- Next steps
- Contact information and how to submit applications

Organisations working with children or vulnerable adults

If organisations are working directly with children and/or vulnerable adults as part of the grant application, the organisation must have the necessary policies in place to do so and as a funder it is the county council's responsibility to ensure that they do. Organisations should also have the necessary staff/volunteer Disclosure and Barring Service (DBS) checks and clearance for all staff involved in the project.

As a general guide it is recommended that organisations provide the following if their application involves working with children and/or in regulated activity with adults. However, each grant scheme is unique and it is important to obtain the necessary legal advice and advice from the DBS Team:

- a copy of its policy on working with children and/or in Regulated Activity with Adults, and

- confirmation of an appropriate (Standard or Enhanced) DBS checks with appropriate Barred list checks, in accordance with DBS guidance, and for all persons involved with the project.

Possible exceptions

The following exceptions to the above requirements could apply if:

- If the application is for parents or guardians to undertake activities with their own children, there is no requirement for this.

- The need for DBS and checks to be undertaken in respect of applications for the purchase of equipment for working with children and/or vulnerable adults shall be considered on an individual basis, and having regard to the nature of the equipment and its link and use by children and/or vulnerable adults.

A standard or enhanced DBS check?

Standard check - Standard checks are primarily for posts in certain professions, such as members of the legal and accountancy professions.

Enhanced check - Enhanced checks are for posts involving a degree of contact with children and/or vulnerable adults. In general, the type of work will involve regularly caring for, supervising, training or being in sole charge of such people. Examples include a Teacher, Scout or Guide Leader, or Sports Coach. To be eligible for an Enhanced check an employee or volunteer must be working in either the current Regulated activity definitions or in the pre September 2012 definition. Guidance on eligibility is available at https://www.gov.uk/government/publications/dbs-check-eligible-positions-guidance

Definition of a vulnerable adult

The new definition of regulated activity relating to adults no longer labels adults as 'vulnerable'. Instead, the definition identifies the activities which, if any adult requires them, lead to that adult being considered vulnerable at that particular time. This means that the focus is on the activities required by the adult and not on the setting in which the activity is received, nor on the personal characteristics or circumstances of the adult receiving the activities. There is also no longer a requirement for a person to do the activities a certain number of times before they are engaging in regulated activity.

Here are six categories of people who will fall within the new definition of regulated activity (and so will anyone who provides day to day management or supervision of those people). A broad outline of these categories is set out below. For more information please see the Safeguarding Vulnerable Groups Act 2006, as amended by the Protection of Freedoms Act 2012.

- Providing health care
- Providing personal care
- Providing social work
- Assistance with cash, bills and/or shopping
- Assistance in the conduct of a person's own affairs
- Conveying

The Decision Making Process

A recommendation or decision is required to initiate the process of developing a funding scheme. Detailed planning should take place to ensure the principles and processes of how the scheme will operate in practice have been agreed before the scheme is launched. The decision to allocate funds to a grant scheme to meet a service priority must be approved through the appropriate management structure and Cabinet. Proposals should be discussed with the Finance Team early on to ensure the necessary funds are available and to determine the timeframe that the funding is available for. Consider any other advice you may need to take such as legal or specialist advice from the relevant service. It is likely you will require a decision to approve the application, assessment and selection process prior to launching the scheme. If your service reports to a committee or working group it would be appropriate to share proposals with councillors to gain their views. If you are unsure contact Democratic Services for further advice.

The decision to approve grants to outside bodies is a function of the Cabinet (unless specifically delegated to a senior officer). Once you have gone through the selection process (see page 13) and determined which application(s) should be recommended for grant funding you will need to ensure that your recommendations are presented in accordance with the county council's decision making process and ensure that a formal decision is completed to ratify recommendations. Advice from the relevant departments and services should be sought on funding recommendations prior to a decision being made so that all necessary advice is taken into consideration. A report clearly outlining the purpose of the grant scheme, details of the assessment and selection process, financial information and recommendations of funding and any other important considerations should be completed on the county council's online management system. Only once a formal decision has been made and any call in period has expired should the decision be relayed to organisations. All decisions relating to grants and public funds should be accessible to the public.

Timescales

Developing and launching a grant funding scheme can be a lengthy process and timescales should be realistic and appropriate. It is helpful for applicants that approximate timescales are provided so that they can plan their projects accordingly.

Consideration should be given to the following aspects of developing a grant funding scheme:

Seeking permission to develop a grant funding scheme – necessary approval to initiate the process of developing a grant scheme through the management structure and/or Cabinet.

Developing the scheme guidance – consider the length of time needed to develop the scheme guidance, the application form and supporting notes including defining criteria for the scheme, and the scoring system that will be used to assess and select applications. Consider if approval of your documentation is necessary before the scheme can be launched.

Applying to the scheme – applicants will need a suitable amount of time to apply to the scheme, as a minimum applicants should be provided with 5-6 weeks from notification of the scheme opening to the deadline date.

Assessing applications – It is not always easy to anticipate how many applications you may receive and often funding schemes are heavily oversubscribed. You need to factor this in as each application will need to be read through carefully, assessed against the criteria and scored and notes on recommendations made. If you need to arrange an assessment panel consider availability of panel members.

Approval of recommendations – Recommendations of funding will need to be approved through the relevant decision making process. If your report needs to be submitted to Cabinet or a Management Team meeting factor in these timescales including time to obtain the necessary financial and legal clearances for your report.

Grant funding agreements – Once you have a formal decision, the terms and conditions of the grant will need to be conveyed in a formal grant funding agreement. Depending on the complexity of the grant agreement you may need to seek advice from Legal Services. The organisation will also need time to read through the agreement and obtain any necessary signatures or meet any specific conditions.

Payments – Payment will be made not be made until a signed grant agreement is received and if an organisation is not set up on our payment system then this will need to be actioned first and can take a few days. Once payments have been issued they are normally received within 7-10 working days.

Monitoring and evaluation – Consider the project timescales and how long the organisation has to complete the project and factor in time to monitor and evaluate the progress, outcomes and success of a project. This should also include consideration of whether "clawback" of funds released but not used in accordance with the Grant Funding Agreement needs to take place

Future funding rounds – If you have not spent your budget following the first round of funding you may wish to consider launching your scheme again for a second round.

Advertising the grant scheme

Information about the availability of grants should be properly publicised to ensure as many eligible bodies as possible have the opportunity to apply and that the process is fair and equitable to all organisations. During election periods (either county council or borough council) grants should not be approved during the pre-election or purdah period.

Organisations should be given a minimum of 5-6 weeks to apply from notification of a scheme opening to the deadline date. There are many forms of information sharing which can be considered, **examples** are detailed below, this list is not restrictive:

Press release – A good way to get information out is the local newspapers. If your grant is specific to a certain area or covers the whole of Lancashire then consider a press release which can be shared in the local community. Corporate Communications can advise you whether a press release will be suitable for your scheme and can help prepare a press release.

County council website – Websites are often the first place potential applicants will go for further information and information about grant opportunities should be readily available on the county council's website. Guidance notes and application forms can easily be shared on the website and applicants can be directed to the website to apply or to find our further information.

Email distribution lists - Share the information widely with networks you have such as third sector organisations, clinical commissioning groups and other partners and ask them to share within their own organisations.

County Councillors – You can share the information with county councillors, for example through C-First or by emailing details of a new scheme to all county councillors so they can share it with their constituents.

The Assessment and Selection Process

An important part of the application process is assessing and selecting applications that will be considered further. Applications for grant funding should be assessed against the predetermined criteria provided to applicants to ensure an applicant is eligible. If an application has not met this criteria you can dismiss the application on the basis it has not met the criteria you set.

A process of selection for those applications that are eligible needs to take place that is thorough, fair and transparent. The selection process should be objective and ensure that chosen projects meet the aims and objectives of the funding scheme. The appraisal process should include a full financial assessment of the application and should consider the financial viability of an organisation and the funds available to them, for example by analysing financial accounts. If an organisation is unknown to the county council checks should be made to ensure they are a genuine organisation.

A scoring matrix can be developed to be used by those that will score the applications, giving weightings to particular areas of importance. A traffic light system such as Green, Amber or Red could be used to determine how applications are categorised and you may wish to consider a benchmark as the minimum score an applicant must score to be considered further. Consideration can be given to the below areas when assessing applications, these are just **examples** and each scheme will need to take into consideration its own purpose and uniqueness when assessing applications:

Governance arrangements – has the organisation all the necessary governance arrangements and policies in place that were requested? Has it submitted all essential information?

What the funds are being requested for - how well does this meet the project brief?

Location – location may be an important factor depending on what service provision already exists in certain arears.

Priorities – how well does the application meet the priorities you set for the scheme?

Need – is the project needed, how well has the applicant evidenced this? Could the application duplicate provision that is already available?

Benefit and Impact – what benefit and impact will the project make? How well does this meet your scheme requirements?

Outcomes – consider the outcomes of the project, are they realistic outcomes that are SMART (Smart, Measureable, Achievable, Relevant and Time bound)? How will they be measured and are project milestones realistic?

Monitoring and evaluation – how will the applicant monitor and evaluate the project? What steps will they put in place if outcomes are not achieved within the necessary budget or time frame?

Value for Money – does the application present value for money? Is the applicant seeking the full value of the project or have they sought match funding from other organisations?

You may consider setting up an Assessment Panel and seeking expert advice from the relevant service areas in helping you determine which applications should be taken forward. You may wish to appoint someone independent as an advisory role or to ensure impartiality in any recommendations made, you may want to consider county councillor input into the process as councillors have a good understanding of their local communities and the needs and priorities in their divisions. The assessment of applications should not be completed by just one officer, applications should be scored separately and if views differ significantly on an application you should seek to discuss this further and if necessary obtain further views.

Depending on the size and complexity of the grant scheme you may wish to incorporate a presentation or meeting with short-listed applicants to help determine which application should be taken forward.

Recommendations should be considered by the management structure including manager, head of service and if appropriate director prior to being recommended in a formal report for sign off. Applicants are within their right to request detailed feedback if they have been unsuccessful and notes on scores or officer comments on recommendations should be kept to aid the feedback process if necessary.

Grant Funding Agreements

All grants that have been awarded funds need to be covered by a grant funding agreement that is proportionate to the value of grant and which clearly details the terms and conditions of the grant. The grant funding agreement is an important document and describes the responsibilities of both the funder and the grant recipient in the funding relationship. Depending on the complexity of the grant funding agreement you may wish to seek legal advice from Legal Service to ensure that your agreement is fit for purpose.

As a minimum your agreement should clearly state the purpose for which the grant has been awarded for, the amount that has been awarded and the terms and conditions that must be adhered to by the applicant in receiving the grant. Any obligations the county council has to the funder should also be clearly detailed.

As a general guideline you may wish to consider the following options depending on the amount of the grant being awarded. The terms and conditions of a grant depend very much on what the grant scheme is about, the headings detailed below are just **examples** and you should obtain the necessary legal advice to ensure that the agreement covers all elements necessary in relation to your grant scheme.

Amount of Grant	Type of agreement	Agreement terms and conditions: :
Less than £1,000	Offer Letter	Purpose of the grant The amount of grant awarded Payment of grant Any specific terms and conditions Monitoring and feedback How to accept offer of grant Signed declaration from two independent signatories from organisation
£1,000 - £99,000	Grant Funding Agreement	Purpose of grant The amount to be awarded Payment of grant Any specific terms and conditions Project management and coordination Project monitoring and progress reports Evaluation Withholding or repayment of the grant Acknowledgement and Publicity Acceptance of terms and conditions Signed declaration from two independent signatories from organisation Signed declaration from responsible officer from the county council

Over £100,000	Signed and Sealed Deed	Definitions
		Intellectual Property Rights
		Confidentiality
		Freedom on Information
		Data protection
		Anti-discrimination
		Human rights
		Limitation of liability
		Warranties
		Insurance
		Duration
		Termination
		Assignment
		Waiver
		Dispute resolution
		Contracts (Rights of Third Parties) Act 1999 if applicable
		Governing law
		Signed and sealed deed from both parties
		Specific schedules could include:
		  - Details of the project
		  - Payment schedule
		  - Any other specific conditions
		  - Monitoring
		  - Evaluation
		  - Appendices of any supporting documentation

Consideration should also be given to the following areas:

- **Consultation about changes to the grant** – organisations should notify the county council about any changes to the project and await agreement of the changes from the County Council before the funds are spent.
- **Overspending** – the organisation should be held responsible for any overspend on the project, the County Council will not be liable for any costs in excess of any funding awarded.
- **Necessary consents** - Organisations should accept responsibility for ensuring they have all the necessary consents including planning, statutory and landownership. They also need to accept responsibility for ensuring there is appropriate insurance cover for the people and assets involved in the funded project.
- **State aid rules** – no organisation can receive grant funding, if to award a grant would contravene state aid rules, the onus of this lies with the organisation to ensure they have not contravened the state aid rules.

Senior Responsible Owner

All grant schemes should have a named senior responsible owner who has clearly defined responsibilities throughout the lifetime of the grant scheme. Grant recipients should be given details for a named officer so they can contact and report to them during the duration of the grant cycle. Officers responsible for grants should have the necessary resources and experience to ensure suitable controls are in place at each stage of the grant lifecycle.

The senior responsible officer should ensure that any recommendations for funding reflect county council policy and where appropriate advice from specialist officers has been sought to ensure that the proposed project represents value for money and will achieve the desired outcomes.

If a team of staff are responsible for the administration of a grant scheme then appropriate measures should be taken to ensure actions are not duplicated or missed.

Grant funding agreements should be signed by the Head of Service or most relevant senior officer and grant payments should be authorised by a manager or someone other than the member of staff who is requesting the payment.

Following completion of a grant funding scheme the responsible officer should carry out a formal assessment to consider whether the grant funding was used for its intended purpose and whether project outcomes were achieved.

Record Keeping and Data Protection

Running a grant programme can be complex, and due regard should be given to the internal processes and systems that are required to administer a grant scheme. It is likely that you will receive a significant amount of organisational data that contains sensitive information such as bank account details, names and addresses etc. As part of the monitoring stage you may receive copies of individual's contracts, wage slips or other personal data. This data must be handled appropriately and in line with government regulations around data protection principles. You must ensure that data is not kept longer than necessary and consider timeframes for removing files for applications that were unsuccessful in their funding application. Project files for successful applications should be kept for 7 years.

Appropriate systems should be set up to record necessary information, ensuring that only authorised staff have access to any sensitive information. The following list of **examples** considers information you may need to keep as part of your record keeping, this list is not exhaustive:

- A spreadsheet to record details of **all** applications received such as date received, details of supporting documents submitted, when the application was acknowledged etc. Consider giving applications unique ID numbers that will help to easily identify them.

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- 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 should all be included. Keep copies of any correspondence from applicants either by post or email.
- Evidence of advice sought from colleagues, managers, councillors, or other authorities should be kept for the appropriate amount of time.
- 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 and made accessible to the public for example through the county council website.
- A copy of all the grant paperwork such as guidance notes and application form should be kept so that you can refer back to this when necessary.

Finances

Keeping good control over the financial elements of your grant scheme is extremely important. You must keep accurate records detailing all financial information and details of payments to help ensure that organisations have not been paid incorrectly and that overpayments in your budget are not made.

Payments should be authorised by a manager who can access the funding decision to check the amount awarded against the amount being paid. Random checks on payments should be carried out periodically by management.

At the end of the financial year you should complete budget monitoring and produce a year-end financial profile for your budget and share this with the Finance Team so that all grant payments can be reconciled and accounted for on their systems. Details of any grant payments that have been authorised but not paid (for example instalments of grant funding) should be shared with Finance so that unpaid amounts can be accrued into the next financial year to ensure the funds are not lost.

Payments

Grant payments are made through the county councils online Oracle system. The grant payment should only ever be authorised following the grant funding agreement being signed and agreed by both parties. This will ensure, if necessary the county council is able to take action if an organisation has failed to comply with any of the grant conditions. Grant payments should only be made to the organisation that has been awarded the grant and necessary checks should be made to confirm the bank details for the organisation. If the organisation has not received funds from the county council previously they will need to be set up as a new supplier which can take some time to process. Payments are made via BACs and can take 7-10 working days to reach an organisations' bank account.

It may be appropriate to consider splitting payment of grant monies depending on the amount being granted to satisfactory monitoring submissions. This will encourage the timely return of monitoring information and allow the county council to address any concerns in delivery of outcomes prior to releasing the next funding instalment.

Monitoring and evaluation

Grants are funded from public funds and there is a need to ensure that all grant funds are spent lawfully on the activity detailed in the original application for which they were awarded. To this end all grants should be monitored. Monitoring is the process of gathering and recording information on a regular basis, and keeping account of progress and work against a set of agreed objectives, targets and indicators. The onus of submitting timely monitoring information lies with the grant recipient and this should be made clear in the terms and conditions. If necessary, reminder letters or emails should be sent to applicants to ensure monitoring is submitted. In most cases it will be appropriate to monitor both the outcomes as well the financial spend and larger grants should be subject to further scrutiny to ensure public funds have been spent in accordance with the terms and conditions set.

Depending on the size and complexity of the grant programme, monitoring may be requested at the end of the project, or at particular time intervals for example bimonthly, quarterly, or at 6 monthly intervals and then at project completion. If the funding is to be paid in instalments to the applicant, this could be linked to satisfactory monitoring reports which would help to encourage timely submission of monitoring and provide the county council with some leverage if grant outcomes and targets are not being achieved.

Examples of things you can request to monitor the grant could include:

- Financial evidence of spend for example:
  - Copies of invoices and receipts related to the spend
  - Copies of the relevant pages of the organisation's bank statements showing the payments going through the bank account
  - Copies of the petty cash sheet showing cash transactions
- Detailed information on whether the grant met the desired aims and outcomes of the grant
- Copies of any press reports or promotional materials relating to the funding
- If appropriate, photographic evidence of the project/activity.

It may be appropriate to visit the organisation during the lifetime of the funding agreement to meet with them and discuss progress.

As part of the grant funding agreement the county council should reserve the right to view all necessary paperwork in relation to the grant including child protection/vulnerable adult policies and procedures; equal opportunities policies; health and safety policies; environmental policies; complaints procedures and quality assurance scheme certificates at any time.

Organisations should be informed that all evidence and documents relating to their funding application must be retained for a period of seven years from the end of their project; we should outline this date in our closure letter to the organisation.

Applicants should be encouraged to complete a final evaluation report at the end of the project which evaluates the overall project and how it met the aims and objectives of the grant scheme. Evaluation should include a judgement on the quality of progress and work, and its success against expectations and stated aims. The evaluation should look at the outputs or results and the impact of what has been done against the original problem.

Support from other Services

Corporate Communications – You may wish to speak to Corporate Communications about how you can advertise your grant scheme across Lancashire or ensuring details of your grant scheme and how to apply are available on the Lancashire County Council website.

Democratic Services – Does your proposal to develop a funding scheme need approval by the Cabinet or an individual Cabinet Member or will it be agreed by a Senior Officer through the Scheme of Delegation? If you are unsure you can contact Democratic Services for advice. Democratic Services can also provide examples of the following documents to help aid the process of setting up a grant scheme:
- Application forms
- Guidance notes
- Scoring matrix
- Example spreadsheets

Legal – Prior to launching a scheme it is recommended that legal advice is sought to ensure that the terms and conditions of the grant scheme you are proposing are permissible and that due regard has been given to your proposals. Legal advice should also be sought when developing the Funding Agreements and Contracts to ensure the Agreement covers the necessary level of detail depending on the size and nature of the grant.

Finance – Prior to launching your scheme you need to ensure that the funds are available and your Finance Team is aware that you intend to spend the funds in this manner. The Finance Department will need to be informed about any payments you intend to make and they will need to ensure that the monies have been taken from the correct budget code. If you have concerns about the financial stability of an organisation you may request Finance to look at the accounts of an organisation to help form a view. Finance also may be able to offer support or advice in the monitoring of the financial evidence once an organisation has completed a project.

DBS Team – Organisations working with children or vulnerable adults must ensure that they are complying with the requirements of the Disclosure and Barring Service. The DBS Team are available to provide advice in relation to DBS requirements and can help to check that the guidance you are issuing is correct and meets the necessary requirements.