



Author/Lead Officer of Report: M Wassell, Finance Manager External Funding.

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**Report of:** Director of Finance and Commercial Services  
**Report to:** Cabinet Member for Finance and Resources  
**Date of Decision:** 19<sup>th</sup> July 2017  
**Subject:** Approval of Annual External Grant Receipts

Is this a Key Decision? If Yes, reason Key Decision:-

Yes ☒ No ☐

- Expenditure and/or savings over £500,000

☐

- Affects 2 or more Wards

☒

Which Cabinet Member Portfolio does this relate to? Cabinet Member for Finance and Resources

Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny

Has an Equality Impact Assessment (EIA) been undertaken?

Yes ☐ No ☒

\*The grant offers are annually recurrent and roll over each year experiencing very little change in their purpose, risks, terms and conditions meaning that there is no material change to the services. Should there be any material changes in a grant offer then a separate report will be produced for approval with an EIA undertaken if necessary.

If YES, what EIA reference number has it been given? *(Insert reference number)*

Does the report contain confidential or exempt information?

Yes ☐ No ☒

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

### Purpose of Report:

Identified at Appendices 1 to 3 in this report are the established grants that Portfolio Service Managers, supported by the Finance Service, have managed over a number of years. Given the consistent nature of the terms and conditions of these grants, this report seeks collective approval for all the grants identified in this report. Each grant offer will be reviewed to ensure that there has not been a material change in the terms and conditions, risks and purpose of the grant. Appendices 1 to 3 provide details of the annually recurrent revenue grants for which this report is seeking approval: Appendix 1 (Place), Appendix 2 (People Services), Appendix 3 (Resources).

**Recommendations:**

- (i) To approve acceptance of the grant offers detailed in this report and set out in appendices 1 to 3 to this report;
- (ii) To approve that the Council will act as the Accountable Body in respect of the grant offers which are detailed in this report and set out in appendices 1 to 3 to this report;
- (iii) To approve that the Executive Directors of the Place, Resources, and People Services Portfolios, in respect of the grant offers, set out in appendices 1 to 3, made in connection with their Portfolio, in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services, authorise the completion of the funding agreements.

**Background Papers:**

No background papers other than the report and appendices.

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <b>M Wassell</b>
	Legal: <b>Brendan Twomey</b>
	Equalities: <b>N/A</b>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>
2	EMT member who approved submission: <b>Eugene Walker.</b>
3	Cabinet Member consulted: <b>Cllr Olivia Blake</b>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: <b>M Wassell</b>
	Job Title: <b>Finance Manager External Funding</b>
	Date: <b>17/5/17</b>

## **1. PROPOSAL**

- 1.1 The Council receives each year a number of established grants that Portfolio Service Managers, supported by the Finance Service, have managed over a number of years. Given the consistent nature of the terms and conditions of these grants, it was decided to seek collective approval for all these grants in 2016/17. A process was developed whereby each offer was reviewed to ensure there had been no material change in the terms and conditions, risks and purpose of the grant. Where a material change was observed, a separate decision was required in line with the Leader's Scheme of Delegations. Significant efficiencies in the grant approvals process were achieved, enabling managers to focus more time on front line services.
- 1.2 Seeking to benefit from the efficiencies achieved last year, it is proposed that collective approval for all the 17/18 grants identified in this report, be given. Again each grant offer will continue to be reviewed to ensure there has been no material change in the terms and conditions, risks and purpose of the grant. Where there has been a material change in a funder's grant terms and conditions then an individual report and decision will be required. Appendices 1 to 3 provide details of the annually recurrent revenue grants for which this report is seeking approval: Appendix 1 (Place), Appendix 2 (People Services), Appendix 3 (Resources).
- 1.3 The following categories of grants which will be or have been approved via other Council processes are not included in this report: non recurrent grants, capital grants, unconditional grants, ring fenced grants that are delegated to schools to decide how to spend (e.g. Dedicated Schools Grant) and ring fenced corporate grants supporting the Council's overall spending (e.g. Revenue Support Grant, Business Rate Grant).

### **1.4 Material Changes in Grant Terms and Conditions**

- 1.4.1 The following circumstances will be treated as material change, requiring an individual report and decision:
- The risks and/or the terms and conditions of the grant change. For example a grant that has in previous years not required the Council to be the Accountable Body for third parties now requires this as part of the grant terms and conditions.
  - The purpose for which the grant is to be used changes. For example a grant that has previously been used to fund IT equipment and software for a particular service area will now be used to support staffing for a different service area.

### **1.5 Non Material Changes in Grant Terms and Conditions**

- 1.5.1 The following circumstances will not be treated as a material change requiring an individual report and decision:

- A variation in the amount of the annual grant allocation offered by a funder whether an increase or decrease. Each new grant allocation whether it is more or less is assumed to be funding for the same purpose as in previous years unless the terms and conditions state otherwise.
- Any further offers or allocations of a grant are made during 2017/18, for example second and third allocations of the same grant.
- A minor change in the title of the grant.

## 1.6 **Accountable Body for Third Party Liabilities**

- 1.6.1 In relation to third parties, some of the annually recurrent funding offers have previously required the Council to be the Accountable Body for third party liabilities as part of the funder terms and conditions. The grant offers which have these requirements have been specifically identified at appendices 1 to 3. Further, this report seeks approval, by reference to the appendices, for the Council to act as Accountable Body.

## 1.7 **Basis of Grant Allocations.**

- 1.7.1 Using the best available information at this point in time, the Finance Service has estimated the allocation for each grant for 2017/18 as identified at Appendices 1 to 3. It is likely that these allocations will change when the final 2017/18 grant offers /allocations are made which will be at different dates throughout the year; however changes to values are not classed as material.

## 2. **HOW DOES THIS DECISION CONTRIBUTE ?**

- 2.1 The grants identified at Appendices 1 to 3 are an important part of Sheffield City Council's annual funding allocations and support the delivery of a range of services to the people of Sheffield. By adopting the collective approval process developed in 2016/17, the Council will continue to benefit from time savings for individual Service Managers enabling them to focus more of their time on frontline service delivery which will benefit the people of Sheffield. The Council will also continue to benefit from the significant time savings for Executive Directors and Directors who will not need to review and approve each grant individually and who can then devote more time to managing higher Portfolio priorities.
- 2.2 All funding allocations are subject to change by funders and may increase or decrease from the figures identified in this report. If funding allocations change then service provision will be adapted to take account of this.

### **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 The Council is not required to consult on collective approval of annually recurrent grants and it is considered that there is no need to consult due to the established nature of the grants and the ongoing services that they fund.

### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### **4.1 Equality of Opportunity Implications**

- 4.1.1 As a Public Authority, we have legal requirements under Section 149 of the Equality Act 2010. These are often collectively referred to as the 'general duties to promote equality'. To help us meet the general equality duties, we also have specific duties, as set out in the Equality Act 2010 (Specific Duties) Regulations 2011. We have considered our obligations under this Duty in this report and consider that there are no specific equality impacts in line with these duties. The grant offers are annually recurrent and roll over each year experiencing very little change in their purpose, risks, terms and conditions meaning that there is no material change to the services. Should there be any material changes in a grant offer then a separate report will be produced for approval with an Equality Impact Assessment undertaken if necessary.

#### **4.2 Financial and Commercial Implications**

- 4.2.1 Other than the approval of the annually recurrent grants identified at Appendices 1 to 3 there are no additional financial implications or risks associated with these grants.
- 4.2.2 The Finance Service and Commercial Services recently underwent a restructuring process, resulting in the creation of Finance and Commercial Services. As part of that process, all the functions previously exercised by the Director of Finance and the Director of Commercial Services are exercised by the Director of Finance and Commercial Services. Therefore any functions that under the Council's constitution or the Leader's Scheme of Delegation, that are required to be exercised by the Director of Finance, may be exercised by the Director of Finance and Commercial Services. The Council's Constitution provides that the Director of Finance is responsible for agreeing the acceptance of all grant offers of external funding made to the Council. The Director of Finance and Commercial Services has agreed the acceptance of the offers of external funding, detailed in this report and set out in appendices 1 to 3 to the report.
- 4.2.3 The Leader's Scheme of Delegation provides that no decision that the Council will act as Accountable Body for external grant aid shall be taken without the prior agreement of the Executive Director, Resources or the Director of Finance. The Director of Finance and Commercial Services has agreed that the Council may act as Accountable Body, in respect of

grant offers, where detailed in this report and set out in Appendices 1 to 3 to the report.

#### 4.3 Legal Implications

4.3.1 The Localism Act 2011 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need. The proposals fall within the general power of competence. In addition, there is no specific statutory prohibition, preventing the Council from implementing the proposals. The Council is therefore empowered to accept the grant offers detailed in appendices 1- 3 to this report, and carry out the related functions, detailed in this report.

4.3.2 The acceptance and management of grants should be in accordance with the Financial Procedure Rules under the Council’s constitution. The relevant Executive Director is required to ensure that all the funding body’s conditions and criteria including any additional procurement requirements are met. Officer’s managing the acceptance and administration of the individual grants will need to ensure they are aware of and act in compliance with the Financial Procedure Rules.

#### 4.4 Other Implications

4.4.1 Due to the nature of the recurring grants, which fund well established Council services, the proposals do not give rise to any additional HR, public health or other implications.

### **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1 The following approval of grants options were considered:

- (i) Continue with the collective grant approvals process started last year which will save time for both individual Service Managers and Executive Directors as outlined previously in the report.
- (ii) Return to an individual grant approval process whereby each grant identified in this report would require its own individual report produced by individual Service Managers with individual sign off at the appropriate level. This will be more time consuming and will reduce the time that Service Managers can spend on frontline service delivery.

5.2 Given the efficiencies observed, option 1 is the preferred approval process.

## **6. REASONS FOR RECOMMENDATIONS**

6.1 The reason why collective approval of grants is the most beneficial option is summarised as follows:

- Based on the experience gained from the management of the grants identified in this report there have been little or no material variations year on year in the purpose, terms and conditions and risks associated with these grants.
- The benefits of collective approval of these grant allocations, as demonstrated in 2016/17, will mean significant savings in terms of time and workload for Service Managers who will not have to produce individual reports to approve each grant and will be able to focus the time saved on frontline service delivery.
- Executive Directors and Directors will have significantly less reports to review and sign off and will be able to focus on higher Portfolio priorities with the time saved.