



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:
Subject: Approval of Annual External Grant Receipts (2019/20)

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
*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. It was therefore decided that an EIA was not required. 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? (N/A)		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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:

Under financial regulations the Authority has to seek the appropriate level of approval (e.g. Executive Director, Cabinet Member) for the receipt of any grant from any organisation into the Council.

The purpose of this report is to seek bulk approval from the Cabinet Member, to enable the Council to receive annually recurring grants, on the basis that 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 compared to the grant offer issued in the previous financial year (2018/19).

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).

For clarity, this paper excludes:

- Any decision regarding policy choices in relation to grants that we, as a Council, issue to citizens, residents or other third parties (i.e. how we allocate the grants to third parties).
- Allocation of grants to service areas internally to the Council (i.e. allocation to business units).

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 Council will act as the Accountable Body for a third party in respect of a grant offer, guarantee the liabilities of that third party and where required make grant payments to that party, where indicated in Appendices 1 to 3 to this report;
- (iv) To approve that the Executive Directors of the Place, Resources, and People Services Portfolios, have authority to, 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: M Wassell
	Legal: Brendan Twomey
	Equalities: N/A
	<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: <i>Eugene Walker.</i>
3	Cabinet Member consulted: <i>Cllr Olivia Blake</i>
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: M Wassell	Job Title: Finance Manager External Funding
Date:	

1. PROPOSAL

1.1 Under financial regulations the Authority has to seek the appropriate level of approval (e.g. Executive Director, Cabinet Member) for the receipt of any grant from any organisation into the Council. The Council receives a number of reoccurring grants each year that the authority has been managing over a number of years. All of these grants are a vital and material part of the funding for front line Council services. It is proposed that bulk approval for all the 2019/20 grants identified in this report, be given. 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.

1.2 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 a 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 2019/20, for example second and third allocations of the same grant.
- A minor change in the title of the grant and / or minor changes in the terms and conditions and administrative requirements of the grant.

1.6 **Accountable Body and Third Party Liabilities**

1.6.1 The Council will need to act as Accountable Body in respect of all the grants detailed in this report and set out in appendices 1 to 3 to this report. The report seeks approval for the Council to act as Accountable Body in respect of these grants. Further, in respect of some of these grants the Council also needs to act as Accountable Body for specified third parties and to guarantee their liabilities. Further some of the grant offers, where the Council is required to act as Accountable Body for a third party, also requires it to make grant payments to that party. This report seeks approval, by reference to the appendices, for the Council to act as Accountable Body for these third parties, guarantee their liabilities and where required, make grant payments to them.

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 2019/20 as identified at Appendices 1 to 3. It is likely that these allocations will change when the final 2019/20 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. These grants contribute, individually and/ or collectively, to some or all of the following priorities in Sheffield's Corporate Plan (e.g. the Public Health grant helps the Council achieve the better health and wellbeing priority)

- Strong economy
- Thriving neighbourhoods and communities
- Better health and wellbeing
- Tackling inequalities

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 bulk 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 and therefore the service to be provided 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 Council's Constitution provides that the Head of Strategic Finance is responsible for agreeing the acceptance of all grant offers of external funding made to the Council. The Head of Strategic Finance 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 or provide a guarantee in relation to the liabilities of a third party shall be taken

without the prior agreement of the Executive Director, Resources or the Head of Strategic Finance. The Head of Strategic Finance has agreed that the Council may act as Accountable Body and guarantee the liabilities of third parties, in respect of the grant offers as 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 options for grant approval were also considered:

(i) Do not accept the grants.

(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 identified by the bulk approval of grants it is recommended that this approval route is adopted rather than the

approaches identified at 5.1 above – option 1 is not economically viable and option 2 will take up more time for Portfolios.

6. REASONS FOR RECOMMENDATIONS

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

- The grants are essential for funding service provision without this funding services would experience large scale budget reductions.
- A limited number of grants at Appendices 1-3 require the Council to be the Accountable Body for third party liabilities and also to make grant payments to third parties, the report also seeks approval for this.
- Delegates the relevant Executive Director, in consultation with the Director of Finance and Commercial Services and Director of Legal and Governance authority to finalise the grant funding agreement in accordance with council procedures.