

## **REPORT TO THE CABINET MEMBER FOR FINANCE AND RESOURCES**

### **APPROVAL OF ANNUAL GRANT ALLOCATIONS (2016/17)**

#### **1.0 SUMMARY**

- 1.1 Identified at Appendices 1 to 4 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 aims to make significant efficiencies in the grant approvals process by seeking collective approval for all the grants identified in this report. Each grant offer will continue to be reviewed to ensure that there has not been a material change in the terms and conditions, risks and purpose of the grant. Where there has been a material change in these an individual report and decision will be required. Appendices 1 to 4 provide details of the annually recurrent revenue grants for which this report is seeking approval: Appendix 1 (Place), Appendix 2 (CYPF), Appendix 3 (Communities) and Appendix 4 (Resources).
- 1.2 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).

#### **2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE**

- 2.1 The grants identified at Appendices 1 to 4 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. A more efficient approval process for these established grants will mean time savings for Service Managers who will not have to produce individual reports for each grant enabling them to focus more of their time on frontline service delivery which will benefit the people of Sheffield. Also, there will be significant time savings for Executive Directors and Directors who will not need to review and approve each grant individually and who will then be able to devote more time to managing higher Portfolio priorities.

#### **3.0 OUTCOME AND SUSTAINABILITY**

- 3.1 The annual grant allocations identified in this report are based on the best available information and estimates at this point in time. All funding allocations are subject to change by funders and may increase or decrease from the figures identified in this report. The actual timeline for the final notification of individual grant allocations will vary for each funder. If funding allocations change then service provision will be adapted to take account of this.

## 4.0 MAIN BODY OF THE REPORT

### **Consolidated Approval where there has not been a Material Change in Grant Terms and Conditions.**

4.1 In order to make decision making more efficient this report seeks to identify and consolidate all annually recurrent revenue grants where there has not been a material change in respect of terms and conditions, risks and the purpose of the grant into one report for approval by the Cabinet Member for Finance and Resources. Once approved a specific report for each individual grant will not be required unless there is a material change. Examples of a material change are as follows:

- The risks and/or the terms and conditions of the grant. For example a grant that has in previous years not required Sheffield City 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. 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.

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

4.2 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 4. Further, this report seeks approval, by reference to the appendices, for the Council to act as Accountable Body

### **Review of Grant Offers.**

4.3 The Service Manager responsible for managing each grant in conjunction with Legal and Governance and the Finance Service, will continue to review the terms and conditions of all annual grant offers when they are made and if they consider that there has been a material change then a report seeking fresh approval via current Council decision making processes will be required.

### **Non Material Changes in Grants**

4.4 As discussed above, an individual report and decision will not be required unless there has been a material change. 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 2016/17, for example second and third allocations of the same grant.
- A minor change in the title of the grant.

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

- 4.5 Using the best available information at this point in time, the Finance Service has estimated the allocation for each grant for 2016/17 as identified at Appendices 1 to 4. It is likely that these allocations will change when the final 2016/17 grant offers are made which will be at different dates throughout the year. The Cabinet Member for Finance and Resources is being asked to approve all grants identified at Appendices 1 to 4.

#### **5.0 Financial Implications**

- 5.1 Other than the approval of the annually recurrent grants identified at Appendices 1 to 4 there are no additional financial implications or risks associated with these grants.
- 5.2 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 Executive Director, Resources 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 4 to the report.
- 5.3 The Finance Service and Commercial Services are currently undergoing a restructuring process. As part of this process, all the functions previously exercised by the Directors of Finance and Commercial Services are exercised by the Director of Finance and Commercial Services. Therefore any functions that under the Council's constitution 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 4 to the report.

#### **6.0 Legal Implications**

- 6.1 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 1-4 to this report, and carry out the related functions, detailed in this report.

- 6.2 The acceptance and management of grants should be in accordance with the Financial Procedure Rules under the Council’s constitution. For example the relevant Executive Director is required to ensure that all the funding body’s conditions and criteria including any additional procurement requirements are met. Therefore 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.

## **7.0 ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 To continue with existing Council approval processes whereby each grant identified in this report will 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.

## **8.0 REASONS FOR RECOMMENDATIONS**

- 8.1 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. Given the consistent nature of these grants this report aims to consolidate the approval of all of them into one report. The benefits of collective approval of these grant allocations 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.
- 8.2 The Finance Service and Legal and Governance will continue to review the terms and conditions of each annual grant allocation. Any grant offer that has a material change in the purpose of the grant, its terms and conditions and/or the risks associated with it will then require a specific report to be produced which will go through the Council’s usual approval procedures.

## **9.0 RECOMMENDATIONS**

- 9.1 (i)To approve acceptance of the grant offers detailed in this report and set

out in appendices 1 to 4 to this report

(ii) To approve that the Council will act as the Accountable Body in respect of the grant offers where detailed in this report and set out in appendices 1 to 4 to this report.

(iii) That the Executive Directors of the Place, Resources, CYPF, and Communities portfolios, in respect of the grant offers, set out in appendices 1 to 4 to this report, made in connection with their portfolio, in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services, be authorised to agree the terms of and authorise the completion of the funding agreements.

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