



Report to Policy Committee

Author/Lead Officer of Report: Robert Parkin,
Assistant Director of Law and Governance (Deputy
Monitoring Officer) (Interim)

Report of: David Hollis, Director of Legal and Governance
(Monitoring Officer) (Interim)
Report to: Governance Committee
Date of Decision: *(Insert date decision to be taken)*
Subject: Grant Aid, Loans, and Guarantees: Review of
Delegations to Committees and Officers

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Purpose of Report:

To invite the Committee to consider and discuss the current delegations in relation to matters relating to receiving annually recurrent grants, and also grant aid, loans, and guarantees.

In particular, to consider developing the role of the Policy Committees, the role of the Director of Finance (in relation to annually recurrent grants) and to consider how the role of the Communities Parks, and Leisure Policy Committee is described in relation to promoting, and monitoring the role of the voluntary sector.

Recommendations:

The Governance Committee is recommended to:

- a) Note and comment on the report on the current delegations in relation to Grants, Loans, and Guarantees, annually recurring grants, and the role of the Communities, Parks, and Leisure Committee in relation to grant aid in the voluntary sector.
- b) Request that the Monitoring Officer in consultation with the Chief Finance Officer prepare a report to be considered at a future meeting of the governance committee which:
 - i. Recommends revised levels of delegated authority in respect of the approval of the receipt of External Grants by the City Council in the contexts of:
 - a) External grants to be used for onward third-party grant aid, and loans; and,
 - b) External grants to be received and used directly by the Council;
 - ii. Proposes revisions to the role of the Communities, Parks, and Leisure Committee in respect of the award of Grant Aid;
 - iii. Proposes a role for the Policy Committees in making decisions on providing Grant Aid, Loans, and Guarantees in relation to matters within their remit, while retaining a role on larger sized or mixed remit Grant Aid, Loans, and Guarantees for the Finance Sub-Committee.
 - iv. Proposes a Delegation to the Director of Finance and Commercial Services in relation to the acceptance of annually recurrent grants.

Background Papers:

Sheffield City Council Constitution

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	Finance: Mark Wassell, Finance Manager
		Legal: Robert Parkin, Assistant Director, Legal and Governance (Deputy Monitoring Officer)

	completed / EIA completed, where required.	Equalities & Consultation: Ed Sexton, Equalities and Involvement Officer
		Climate: NA
	<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	SLB member who approved submission:	David Hollis, Director of Legal and Governance (Interim)
3	Committee Chair consulted:	Cllr Julie Grocutt
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 Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Robert Parkin	Job Title: Assistant Director, Legal and Governance (Deputy Monitoring Officer)
	Date: 29 November 2022	

1. PROPOSAL

- 1.1 To consider changes to the delegations to the Finance Sub-Committee and Policy Committees relating to the payment of Grant Aid, Loans, and Guarantees, with a view to empowering Policy Committees to make decisions on these matters, where they relate exclusively to their respective role and scope.
- 1.2 Further changes could be made to either raise the thresholds above which decisions will be reserved to the Finance Sub-Committee or to remove the role of the Finance Sub-Committee fully.
- 1.3 Delegations to officers may also be considered and revised.
- 1.4 The Committee is also invited to consider streamlining the approvals process for external annually recurring grant funding, in the wider context of budget receipts. These grants are unrelated to accountable body or onward Grant Aid activity.
- 1.5 Separately, it is proposed that the terms of reference of the Communities, Parks, and Leisure Policy Committee be considered. The current drafting within the constitution role of this committee around the voluntary sector, and grants appears to overlap to the roles of officers and the Finance Sub-Committee in suggesting that it has a role in grand award decisions where the recipients are within the voluntary sector.

Policy Sub-Committee delegation and Finance Sub-Committee delegation, and officer delegations.

- 1.6 Current delegations to the Policy Sub-Committees do not give them a formal role in approving the receipt or expenditure of grant funding, or of loans, and guarantees. Where these exceed the thresholds described at appendix 1, part A, these decisions are wholly reserved to the Finance Sub-Committee. Below those thresholds (£750,000), decisions are delegated to officers.
- 1.7 While officers have often sought to involve the relevant Policy Committee by seeking an endorsement, this is not equivalent to a formal role.
- 1.8 Possible approaches include a change to the threshold band wherein such decisions where within the remit of a given Policy Committee are reserved to it, with only decisions relating to higher amounts or decisions which relate to a mix of Policy Committee remits going to the Finance Sub-Committee.
- 1.9 An alternative approach could be to remove the role of the Finance Sub-Committee fully, with higher level or mixed remit decisions going to the Strategy and Resources Committee.

Delegations to the Communities, Parks, and Leisure Committee

- 1.10 The current delegations to the Communities, Parks, and Leisure Committee include the following, in relation to grants:
- Voluntary Sector
 - Voluntary Sector Liaison
 - **Voluntary Sector Grants, including Grant Aid**
 - Strategic lead on relationships and development with the Voluntary, Community and Faith Sector, building capacity and sustainability in the sector
- 1.11 The underlined and bold text implies that the committee has delegated authority in relation to any grant where it is to the voluntary sector, even where it falls within the subject matter remit of another Policy Committee.
- 1.12 This appears to overlay the role of officers or the Finance Sub-Committee in making decisions on the award of grant. A change to this delegation could make it clear that the committee retains a strategic role around the voluntary sector, but does not reserve a right to itself to award grant aid irrespective of subject matter.

Delegations to in respect of the receipt of grant funding

- 1.13 Certain external grant funding is recurrent on an annual basis without a material change in the terms and conditions of funding. These may often not be referred to in the annual Council Budget. There is no clear provision in the constitution setting out a delegation to accept such recurrent grants under the committee system.
- 1.14 While the historical approach has been to manage this through a collective approval process, by the Director of Finance and Commercial Services with reference on the to Cabinet Member, there is an opportunity to provide for a speedier approval process by delegating the authority to accept wholly to the Director of Finance and Commercial Services, on consideration of a report.
- 1.15 A process can be developed in which the receipt of annually recurrent grants where no material change is made in the terms and conditions of receipt, are approved by the Director of Finance. Any onward decision to award grants or contracts using the monies will be subject to the normal approval processes.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 This proposal is aimed at raising matters for the consideration of the Governance Committee which impact upon the good governance of the organisation, and the development of the roles of the committee system.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The proposals have been described to group members within the Governance Committee in general terms, however this paper is designed as a key step in the process of engagement and the development of an appropriate approach.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 This proposal does not impact on equalities considerations. It relates to the place in which the Council makes certain decisions, rather than the priorities against which it makes those decisions.

4.2 Financial and Commercial Implications

- 4.2.1 Contained within the text of the report.

4.3 Legal Implications

- 4.3.1 The Council is obliged to adopt standing orders in relation to the discharge of its functions. These changes would need to be adopted by Full Council to take effect.

4.4 Climate Implications

- 4.4.1 The proposals carry no implication of resource use or prioritisation.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Alternative options include to take no action.

6. REASONS FOR RECOMMENDATIONS

- 6.1 It is important that the role of the Policy Committees, officers on delegation, and the Finance Sub-Committee be kept under review to ensure the efficient discharge of the business of the council.
- 6.2 The Policy Committees are in the first phase of their operational development, and these proposed changes are proportionate to the aim of empowering the committees with the protection of requiring the

support of the Chief Finance Officer, while retaining a role for officers to act on delegation, and preserving a role for the Finance Sub-Committee in appropriate cases.

Appendix 1

Part A: Current delegations to Finance Sub-Committee

Grant Aid, Loans and Guarantees

Provided that no decision that the Council will act as the Accountable Body for external grant aid or provide a guarantee in relation to the liabilities of a third party shall be taken unless the Chief Finance Officer has been consulted and has approved the arrangement:

- Making any decision in relation to grant aid which the Leader identifies as being of strategic importance;
- Agreeing to establish a fund (not being a fund wholly established with external grant aid for which the Council is the Accountable Body and which is received for this purpose) in excess of £100,000 from which individual grants or loans will be paid and agreeing the eligibility criteria for these grants or loans;
- approving the payment of any grant or loan in excess of £50,000 (including a grant or loan paid wholly or in part by the Council out of external grant aid) subject to the proviso that an officer may make the decision where (a) paying the grant or loan to that specific recipient is required or clearly intended by the terms of the Council's agreement with the external funder, and (b) the committee has made the decision

to accept the external funding and act as Accountable Body in knowledge of this requirement/intention;

- Approving the withdrawal or reclaiming of grant aid which has been awarded to a third party where the amount of grant aid to be withdrawn or reclaimed is in excess of £25,000;
- Agreeing to the Council becoming the Accountable Body for any award of grant aid from an external funder to the Council or to a third party where:-
 - (i) the grant aid to be received by the Council is anticipated to be in excess of £750,000; or
 - (ii) the grant aid to be received by the third party is anticipated to be in excess of £50,000;
- Agreeing to the Council guaranteeing the liabilities of a third party where the financial exposure of the Council under the guarantee is or may be in excess of £50,000.

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