

## **Wiltshire Council**

### **Cabinet**

**19 July 2016**

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**Subject: Wiltshire Council Grants Expenditure Policy**

**Cabinet member: Cllr Dick Tonge – Cabinet member for Finance**

**Key Decision: No**

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#### **Executive Summary**

The Grants Expenditure Policy presented sets out Wiltshire Council's aims, approach and criteria for funding both generally and in respect of specific identified need. It aims to ensure best use of the limited funding to ensure high quality outcomes for Wiltshire residents in accordance with the Council's Business Plan.

#### **Proposal(s)**

Cabinet is asked to:

1. Adopt the grants expenditure policy presented;
2. Delegate to the Cabinet Member responsible for the Finance portfolio, in consultation with the Section 151 officer and the Associate Director for Corporate Function and Procurement responsibility for minor amendments provided that to do so does not alter (but gives further effect to) the executive arrangements or the principles enshrined in this policy; and
3. Delegate to the Section 151 officer in consultation with the Solicitor to the Council responsibility for amending this policy to reflect changes in the law, to correct errors or clarify ambiguities where to do so does not alter (but gives further effect to) the executive arrangements or the principles enshrined in this policy

#### **Reason for Proposal**

The adoption of the Grants Expenditure Policy will ensure best use of the limited funding to ensure both high quality outcomes for Wiltshire residents in accordance with the Council's Business Plan and effective, efficient use of council resources.

**Dr Carlton Brand and Carolyn Godfrey**  
**Corporate Directors**

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### Purpose of Report

1. The purpose of this report is to present a draft grants expenditure policy to Cabinet for adoption

### Relevance to the Council's Business Plan

2. The adoption of the grants policy helps to meet the principles in the Council's Business Plan, including:
  - Principle 2: We are efficient and provide good value for money for our residents
  - Principle 3: We put outcomes for people and places first

### Main Considerations for the Council

3. Budget conversations in both 2014 and 2015 have shown that the process for giving and recording grants is inconsistent across the council. A lack of clear guidance has allowed for inconsistencies in the types of funding issued.
4. Events in Tower Hamlets in 2014 highlighted the need for:
  - Robust assessment of applications to meet best value (which should include procurement considerations for projects which require service level agreements (i.e. separate from grants awards but may be financed from grants budgets));
  - Effective evidence of that assessment; and
  - Effective monitoring of the grants process to ensure it is not misused
5. There is a statutory requirement to publish an annual statement of all grants paid to voluntary, community and social enterprise (VCSE) organisations. Out of date codes and a lack of a council wide policy mean that reports to identify this true grant spend are not as accurate as they could be and require excessive resources to produce.

6. The adoption of a grants expenditure policy will benefit the council by reducing inconsistencies within processes, and will make better use of resources to fulfil its statutory duty.

### **Background**

7. A working group was set up consisting of representatives from the Corporate Office, Legal, Procurement, Finance and Community Governance to develop a general grants expenditure policy, containing a clear and unambiguous definition of grants funding.
8. An initial draft has been developed based on existing policies/criteria and a draft VCSE grants policy that was also under development.
9. This was circulated to colleagues involved in grants and their feedback has been considered by the working group and incorporated into the current draft.
10. In addition to the policy there is now an underpinning draft procedure manual. This manual will contain further detail and act as the 'how to' for officers. It is to be read alongside the policy and will be issued in July 2016 on adoption of the policy.
11. Alongside this the working group is reviewing grants GL codes, building a clear costing structure to allow for more accurate reporting of grant spend and enabling efficient compliance with our statutory duty under the transparency code.

### **Overview & Scrutiny Engagement**

12. There has been no overview and scrutiny engagement to date.

### **Safeguarding Implications**

13. There are no direct safeguarding implications arising from this proposal.

### **Public Health Implications**

14. There are no public health implications arising from this proposal

### **Procurement Implications**

15. Whilst there are no direct procurement implications arising from this proposal this policy has been developed alongside the refresh of council's financial and contract regulations (Parts 9 and 11 of the constitution respectively).

**Equalities Impact of the Proposal** (detailing conclusions identified from Equality Analysis, sections 4 and 5)

16. There are no equalities impacts arising from this proposal.

### **Environmental and Climate Change Considerations**

17. There are no environmental and climate change considerations as a result of this proposal

### **Risk Assessment**

#### **Risks that may arise if the proposed decision and related work is not taken**

18. If the council has no clear policy and fails to learn from events at Tower Hamlets there is a risk of poor decision making and of the council not fulfilling its statutory duty under the Local Government Transparency Code 2015.

#### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

19. There is a risk that the policy will not be adhered to or have a positive impact – this is mitigated by effective monitoring leading to a bi-annual review of the policy.
20. The risk that the policy would not complement existing council regulations has been mitigated by developing the policy in tandem with development of the council's refreshed financial and contract regulations.
21. The risk of 'double-funding' organisations will be mitigated by the establishment of a grant register developed alongside the contracts register.

### **Financial Implications**

22. Whilst there are no direct financial implications arising from this proposal this policy has been developed alongside the refresh of council's financial and contract regulations (Parts 9 and 11 of the constitution respectively).
23. General Ledger codes are currently being reviewed to enable accurate reporting on grants and enable efficient compliance with our statutory duty under the transparency code.
24. These changes reflect changes currently being made to update the financial regulations

### **Legal Implications**

25. The development of a Council wide policy on grant expenditure will assist in ensuring consistency, better understanding of the relationship and distinctions between grants and procurement requirements.

26. It will also assist in ensuring effective reporting to assist the Council to monitor best value is being achieved and to meet the Council's statutory obligations under the Local Government Transparency Code.
27. This policy is being developed in conjunction with a review of the Financial Regulations (part 9) and Contract and procurement Regulations (Part 11) to ensure consistency between this policy and the constitution.

### **Options Considered**

28. There were two options considered:

Option 1 is to do nothing and have no control or clarity when allocating grant funds. Not adopting a policy will allow for existing inconsistencies and inefficiencies to continue.

Option 2 is to adopt a Grant Expenditure Policy.

### **Conclusions**

29. The adoption of a grants expenditure policy will benefit the council by reducing inconsistencies within processes, and will make better use of resources to fulfil its statutory duty.
30. It is the intention following adoption that a communication will go out notifying all council staff to Cabinet's adoption of the policy.
31. Training will be included in procurement training.

**Robin Townsend – Associate Director for Corporate Function and Procurement**

**Michael Hudson – Associate Director for Finance**

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### **Background Papers**

The following documents have been relied on in the preparation of this report:

None

### **Appendices**

Appendix 1 – Draft Wiltshire Council Grants Expenditure Policy