

EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE6 April 2017Report by Deputy Chief ExecutivePROGRESS UPDATE ON AUDIT & SCRUTINY COMMITTEE INVESTIGATION
ON FUNDING FOR COMMUNITY AND VOLUNTARY GROUPS

PURPOSE OF REPORT

1. This report provides an update on the progress of recommendations associated with funding for community and voluntary groups following an examination by the Audit and Scrutiny Committee in 2016.

RECOMMENDATION

2. The Audit and Scrutiny Committee is asked to consider progress made on the recommendations.

BACKGROUND

3. In 2016 the Audit and Scrutiny Committee undertook an investigation of funding provided to community and voluntary groups in which it made a series of recommendations highlighted as Appendix 1 to this report.
4. It being noted by Cabinet that several departments hold responsibility as budget holders in relation to grant support to the community and voluntary sector, it approved recommendations made by the Audit and Scrutiny Committee on 7 April 2016.
5. This report provides an update on progress to date.

PROGRESS

6. The Housing Service has put in place a monitoring and approval reporting process for all grant applications considered and has initiated a process to monitor spend through the annual audit process.
7. The Environment Department has reported that the East Renfrewshire Renewable Energy Fund (ERREF) has superseded the Whitelee Fund. To date one grant award meeting in respect of the ERREF has taken place in February 2017. The terms and conditions of the fund are broadly in line with the earlier Whitelee Fund with the main difference being related to the composition of the grant awarding panel.
8. The service now passes information on payment of the ERREF to Democratic and Partnership Services to enable LAGAN to be updated. In addition a separate

webpage has been created which is specific to this fund. Reasons for refusal of a grant are now communicated in writing to applicants

9. The Education Department has implemented the recommendations in full with the exception of point (7) which is concerned with procuring periodic feedback from sample applicants on their experience of and perspectives on using the application form, related guidance and the procedure as a whole. However a process to meet this requirement will be in place by the end of April 2017
10. Democratic & Partnership Services has put in place mechanisms to check previous applications in respect of any new applications to ensure that information held is accurate. In addition all applications for grant funding is logged and passed to the relevant department who then notify Democratic Services of a decision and when appropriate a cheque is raised. This now enables the ability to see the total figure of grants awarded and in addition enables oversight of any potential of multiple funding of any particular group to be identified early and acted upon.
11. The service has created 4 separate weblinks for each of the grant funding streams – Community Grant Scheme, Tenants Association Grant Scheme, Education Grants Scheme and EEREF which is scheduled to go live on the Council’s website by the end of April 2017.
12. Written procedures covering the entire grant processing of grants is held by grant holding departments. This is presently being collated and if possible will be compressed into a single procedure.
13. In relation to improving the grants process by use of digital technology, advice is being sought from Finance colleagues in relation to the need for a “wet” signature on grant application forms. The removal of this existing requirement, if possible, will enable the entire process to be delivered on a digital basis.
14. A summary of grants awarded will be published annually in April of each financial year.

ITEMS CURRENTLY BEING PROGRESSED

15. A process that enables consultation with Ward Members on grant applications in excess of £500 on projects/initiatives that may be specific to member’s wards is being finalised and will be in place in April 2017
16. Further consideration is being given to the recommendation which relates to establishing some financial criteria for awarding grants. Existing criteria are in place i.e. the requirement for groups to be constituted and recognised as a community/voluntary group; the requirement to submit receipts and evidence; and adherence to grant expenditure requirements. Further insight by the Audit and Scrutiny Committee on expectations would assist in this regard

CONCLUSION

17. Grant holding departments have progressed recommendations associated with funding voluntary and community groups made by the Audit and Scrutiny Committee and subsequently supported by Cabinet.
18. As highlighted in the report there are some areas where further work is required to meet the recommendations.

RECOMMENDATION

19. The Audit and Scrutiny Committee is asked to consider progress made on the findings of its examination of Funding for Community and Voluntary Groups.

Report Author; Jim Sneddon, Head of Democratic & Partnership Services

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Audit & Scrutiny Committee Investigation on Funding for Community and Voluntary Groups – Recommendations and Response

INTRODUCTION

The following recommendations were made by the Audit & Scrutiny Committee following its investigation on funding for community & voluntary groups, responses are highlighted below each recommendation.

1. A method of determining and providing access to the total amount of Council funding awarded or allocated to a single organisation should be established and would be useful to reflect on when funding issues are being considered in the context of scarce financial resources.

Agreed- LAGAN provides the central database of information that meets this recommendation. Award making departments will be asked to ensure Lagan information is up to date. This will provide the total amount of grant funding allocated.

2. The way information on funding streams is presented on the website should be reviewed and, when this is completed, related publicity should be organised.

Agreed- Separate pages will be created on the Council website highlighting the 4 Council Schemes (Community Grant Scheme, Tenants' Association Grant Scheme, Education Grants Scheme, and Strategic Fund) which will enable more detailed information to be freely available.

3. That the arrangements for dealing with low level grants be clarified further in terms of the Scheme of Delegated Functions and a more consistent approach be introduced.

Agreed

4. That a monitoring form be introduced as referred to above which would be in line with what the Cabinet agreed previously and introduce additional "spot check" safeguards.

The current application form asks applicants to provide detailed information in respect of the purpose of the application and which SOA outcomes any application supports. If funding is awarded on the basis of the information provided and the project goes ahead "spot check" monitoring arrangements can be introduced in a way that is proportionate to the amount of funding awarded. It is important to acknowledge the capacity of officers who would be expected to monitor applications relative to the amount of funding awarded.

5. Recommendations approved by the Cabinet should be implemented and, if not, Cabinet members should be advised of this and the reasons why actions could not or were not pursued.

Agreed

6. Where not already in place, written procedures covering the entire processing of grants should be prepared and made accessible with instruction on how to use the Lagan system included.

Agreed - grant holding departments will be contacted in this regard to ensure written procedures are in place, where this may not be the position support and assistance will be offered to support the department. Again departments will be encouraged to simplify and streamline their processes as part of this.

7. Feedback be proactively and periodically sought from a sample of applicants on their experience of and perspectives on using the application form, related guidance and the procedure as a whole.

Agreed

8. That it be considered if there are any further parts of the grants process that could be improved through the application of digital technology.

Agreed - This will be considered as part of departmental change programmes. Moving towards a completely online system would make the process simpler and this will be investigated.

9. The reasons why decisions are made, particularly when applications are being refused, should be specified and recorded fully and always provided to applicants.

Agreed – all grant awarding departments to implement immediately.

10. A summary of grants awarded should be published annually on the Council website.

Agreed

11. A financial threshold should be considered for applications above which comments should be requested from Ward Councillors in which the organisation is based and setting a deadline by which such comments must be submitted.

Agreed - This is not applicable to the Whitelee Windfarm Fund however for all other award funding streams Cabinet is asked to consider an application threshold of £500 beyond which ward members would be consulted.

12. Every effort should be made to ensure that the composition of any grant decision making body is as independent as possible.

Agreed - The composition of the Whitelee Windfarm Fund was agreed by Cabinet.

13. Consideration should be given to introducing a timescale for the issue of grant funds.

Not applicable – the Guidance notes already set out the timescale within which applications should be considered in addition the timescale associated with Whitelee Windfarm Fund including annual panel meeting was agreed by Cabinet.

14. Checks should be considered to ascertain if timescales are being adhered to and, if this is not the case, this should be addressed.

Agreed

15. Applicants should be required to submit accurate and researched estimates of expenditure.

Agreed

16. Consideration should be given to establishing some financial criteria for awarding grants.

Not applicable - Cabinet has agreed criteria in relation to the Whitelee Windfarm fund and Community Grants Fund. More generally applicants need to be constituted i.e. recognised as a community/voluntary group and be prepared to submit receipts following grant expenditure. It should be noted that many grants are lower level i.e. below £500 therefore consideration should be given to the status quo to ensure a level of bureaucracy that is commensurate with an award level.

17. The introduction of more objective criteria against which the strength or otherwise of the applications we have focused on (non-WWF) can be judged should be explored.

Agreed

18. That it be reinforced to applicants and in associated guidance, that conditions of grant must be strictly applied.

Agreed

19. That there is closer scrutiny of project plans and the integrity and ability of applicants to carry them successfully through to completion; and should such an issue with an applicant arise, the appropriateness of granting future funds to the applicant carefully considered.

Note; Grant Reporting Officers already take these matters into account when investigating grant applications it is not viewed as necessary to introduce further scrutiny. In addition the history of applicants' management of previous grant awards is already a factor taken into account when considering subsequent grant applications. The status quo is regarded as proportionate.

20. That, in consultation with some applicants, the clarity of the guidance provided on how any element of in-kind support is dealt with is reviewed and clarified further if considered appropriate.

Agreed

21. It is reinforced to departments that every effort should be made to implement internal audit recommendations that have been accepted within the specified timescale for doing so.

Agreed