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| <b>Title of Report:</b>                | <b>Grant Governance Panel</b>       |
| <b>Committee Report Submitted To:</b>  | The Leisure & Development Committee |
| <b>Date of Meeting:</b>                | 16 <sup>th</sup> March 2021         |
| <b>For Decision or For Information</b> | For Decision                        |

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|--|---|
| <b>Linkage to Council Strategy (2019-23)</b> |   |
| Strategic Theme                              | Resilient, Healthy & Engaged Communities  |
| Outcome                                      | Council will work to develop and promote stable and cohesive communities across the Borough |
| Lead Officer                                 | Funding Unit Manager  |

|                                    |            |
|------------------------------------|------------|
| <b>Budgetary Considerations</b>    |            |
| Cost of Proposal                   | £0         |
| Included in Current Year Estimates | <b>n/a</b> |
| Capital/Revenue                    |            |
| Code                               |            |
| Staffing Costs                     | n/a        |

|  |  |        |       |
|--|--|--------|-------|
| <b>Screening Requirements</b>            | Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals. |        |       |
| Section 75 Screening                     | Screening Completed:   | Yes/No | Date: |
|  | EQIA Required and Completed:   | Yes/No | Date: |
| Rural Needs Assessment (RNA)             | Screening Completed  | Yes/No | Date: |
|  | RNA Required and Completed:  | Yes/No | Date: |
| Data Protection Impact Assessment (DPIA) | Screening Completed:   | Yes/No | Date: |
|  | DPIA Required and Completed:   | Yes/No | Date: |

## **1.0 Purpose of Report**

**The purpose of this report is to recommend to Members the establishment of a Grant Governance Panel. Members have periodically requested greater involvement in the grant programme process, therefore a Grant Governance Panel will provide an opportunity for improved governance.**

## **2.0 Background**

The Funding Unit was established in October 2015. The strategic function of the Unit is to provide funding support services which includes corporate management & administration of Council's Grant Funding programmes. The Funding Unit is a central processing unit for grant applications and has responsibility for managing the grant assessment process, the development of grant funding policy and the annual review of grant programmes and policy.

Council's grant funding policy sets out a framework for the processing of grants. The overall aim of the funding process outlined in the policy is:

*"To have a consistent, customer focused process with relevant assessment and evaluation procedures with appropriate appeal and monitoring systems in place".*

Elected Members have requested that officers give consideration to ways in which they can have involvement in the grant assessment process. The current process used is as follows:

- Grant applications are received by the Funding Unit via the online Funding Hub.
- Funding Unit undertake stage 1 eligibility checks on all applications to assess an organisations suitability to receive public funds.
- Grant Assessment panels, comprising Officers from relevant service areas and Funding Unit staff undertake the assessment and scoring of applications.
- A report on the outcome of the assessment process is taken to the Leisure & Development Committee and then to full Council for approval.

## **3.0 Grant Assessments in 2020-21**

In the 2020-21 Grant Funding Period the funding Unit administered 23 Grant programmes compared to 14 in the previous year:

- 1348 applications totalling £3,231,825.46 were received and processed compared to 389 applications totalling £1,244,665.76 in the previous year.
- 1348 stage 1 eligibility checks were undertaken (compliance & governance - constitutions checked and verified; accounts checked).
- 1348 applications were assessed and scored.
- 1005 applications were successful.
- 1005 letters of Offer issued to date totalling £1,660,121 compared to 279 totalling £800,646.80 in previous financial year.

Due to the increased volume of applications in 2020 and the need to ensure grant-aid was delivered quickly to support the community response to Covid-19, the grant assessment process was adapted, moving from officer assessment panels to individual grant assessments being carried out by officers from the relevant service areas – the assessments were reviewed by the Funding Unit to ensure accuracy and consistency across all assessments.

This process has worked well, it is much more efficient and has hugely reduced the staff time spent in assessment panels.

#### **4.0 The Grant Assessment Process**

Grant applications will continue to be assessed by Officers with knowledge of the programme requirements and subject area. The Funding Unit will then bring a percentage sample of the assessed applications to Grant Governance Panel. (The sample process is detailed in section (ii) of Annex A).

There will be exceptions required in the process because of the requirements of external funders such as DAERA Rural Business Scheme and the Policing & Community Safety Grants, where the governance and decision making is with an external funder or a Partnership body.

#### **5.0 Proposed Role of the Grant Governance Panel**

The role of the Governance Panel is proposed to have two separate oversight elements:

##### **a. Strategic Oversight.**

The panel will review policy, programmes, eligibility criteria and management of risk. This is generally done on an annual basis through the Annual Members review Workshop, it may now be appropriate for the panel members to be first part of this process.

##### **b. Validation Function.**

The panel's role is to ensure that the scoring of applications has been undertaken in an appropriate fashion and to provide validation of the sampled applications and the overall process.

For the panel to be most effective it needs to retain a degree of objectivity and distance from individual applications, while at the same time being able to demonstrate that it has adequately considered the quality of the assessments. The role of the panel will involve checking that the scoring in the sample considered is in line with guidance and is accurate.

The Assessment Panel can:

- Request a remarking of individual applications where these are found to be inaccurate or inconsistent.
- Review a further sample of applications if there are significant failings in the sample considered (specifying the basis for further sampling).

#### **6.0 Grant Governance Panel Membership**

The purpose of the panel is not to make decisions about individual grants, but rather to ensure that the process used to assess grant applications is fair, objective and equitable, aligned to the Council's wider strategic and corporate objectives.

To do this, panel members should have a sound understanding of the Council's overarching grant programmes and alignment to the Council's wider corporate priorities and governance requirements.

#### **7.0 Recommendations**

It is recommended that a Grant Governance Panel is established, based upon the principles outlined in this report.

Members are asked to consider the size and appointment process i.e. D'Hondt or other.

Members will be supported by the Funding Unit Officers and other relevant service officers as required.

Once the Panel is convened, detail Terms of Reference will be tabled for member's consideration.

### **(i) Best Practice from Elsewhere**

In order to inform this report the Funding Unit Manager has looked at best practice from elsewhere and has reviewed a 'Good practice report and recommendation of an approach to grant governance' undertaken by Belfast City Council in November 2012:

- Involvement of elected members is likely to be more administratively burdensome for officers and costly in terms of their input
- The number and nature of people on the panel should be dictated by the scale of the grant, the level of risk and the complexity of the programme.
- The ease with which an assessment panel can be established and the cost effectiveness of it must be considered.
- The greatest objectivity is likely to come from a large assessment panel although this is likely to prove costly to establish, have more cumbersome decision making and it will be much more difficult to organise times when all these individuals can be available.

### **(ii) Panel Sampling Process**

Time spent on applications brought to the panel should be commensurate to the scale of the funding involved.

The process assumes that all applications have been scored by individual Project officers responsible for these and will have been passed back to the Funding Unit for collation.

As part of the assessment process, a risk assessment will be undertaken for each application. This can be relatively straight forward and should be part of the scoring process, started by a Project Officer and completed by the Funding Unit, it should be a matter of rating each organisation on a simple scale, i.e. Low, Medium or High Risk. Where an organisation has no track record a middle score will be given. The Assessment Panel would in turn sample these on the basis of the risk factor on advice from the Funding Unit:

Multi Annual Fund (MAF), low risk – 10%

Small Grants & Micro Grants, low risk – 5%

Multi Annual Fund, medium risk – 25%

Small Grants & Micro Grants, medium risk – 10%

Multi Annual Fund, high risk – 50%

Small Grants & Micro Grants, high risk – 20%

The Funding Unit prepares applications for the panel. These will be grouped according to each of the 6 categories set out above and the sampling proportion and number noted on a cover sheet. For example, if there are 50 low risk MAF applications the sheet will note 10% sampling ratio = 5 applications to be considered.

### **(iii) Verifying the Application Scoring**

The panel will check each application to ensure that it is appropriately scored. If the panel is concerned that an application has been marked incorrectly it can be set aside to be returned for scoring by the officer concerned, or if the panel considers itself adequately equipped, the application can be scored by the panel and returned to the Officer for comment.

### **(iv) Conflict of Interest Declaration**

A form should be completed for any real or perceived conflict of interest.

*Examples of Conflict of Interest may include:*

- Recent (within last two years) work with the applicant.
- Any voluntary or paid role in the applicant organisation or associated organisations during the last 10 years.
- Any close family relation or close friend involved in the applicant organisation.
- Any means by which you could personally benefit from the grant award, either directly or indirectly.
- Any direct involvement or family member or friend involved in any organisation competing for the same funding.