Causeway Coast & Glens Borough Council

Report of Grants Governance Panel Working Group
Thursday 17th February 2022,at 6.00pm
Virtual Meeting via MS Teams

Members Present: Ald. N Hillis; Cllr M A McKillop; Cllr D Nicholl

Members Absent: Cllr J McAuley; Ald.G Duddy; 3rd DUP Cllr

Officers: R Baker, Director of Leisure & Development; P O'Brien, Funding Unit Manager; C Dunne, Funding Development Officer; O Duffy, Compliance & Verification Officer; L Bell, Service Support Officer; M Glass, Verification Assistant; L Scullion, Community Development Manager

NO.		ACTIONS
1.	**Welcome**	
	The Funding Unit Manager welcomed everyone to the inaugural meeting of the Grants Governance Panel, where Draft Terms of Reference and the Validation Process of Grant Assessments would be examined.	
2.	**Apologies**	
	No apologies to record.	
3.	**Appointment of Chair and role of Governance Panel**	
	Cllr N Hillis proposed Cllr MA McKillop as Chair. Seconded by Cllr D Nicholl. The FU Manager passed the meeting over to The Chair.	

NO.		ACTIONS
4.	**Draft Terms of Reference**	
	The FU Manager explained that the draft TOR was based on what had been agreed through the Grant Governance Report taken to the L & D Committee on 21st September 2021 and approved by Full Council.	
	She outlined two specific oversight elements of the Grant Governance Panel (GGP)	
	(**1) Strategic Oversight** – panel would review policy, programmes and eligibility criteria for Grants Programme prior to Annual Members Review Workshop;	
	(**2) Validation Function** – panel would ensure that the assessment and scoring of applications had been undertaken in an appropriate fashion and would provide validation of the scoring and the overall process.	
	FU Manager highlighted that all grant applications would still be scored by Officers (apart from PCSP) and the role of the panel would be to oversee the scores and assessment, presented in an Excel Spreadsheet, where members could acquire any further explanation or clarity on how any assessment was made. The purpose of the panel would not be to rescore applications but to validate and be content with process that has been applied. It was agreed by Council that during pilot phase of GGP, it was envisaged that one grant programme would be selected for inclusion in this process. Tonight being presented would be the <u>Community Development Support Grant, the Social Inclusion Grant and the Community Festival Fund</u>.	
	THE FU Manager highlighted **Membership** of GGP would comprise of the following: • Six Elected Members nominated by d'Hondt • The quorum of Panel shall be 3 Elected Members. • The Chair of Panel would be appointed from the Elected Members present at the first meeting.	

NO.		ACTIONS
	FU Manager explained the **Powers** of the GGP and that it could not make decisions on behalf of the Council. Any recommendations made by the Panel would be subject to approval by the Council through the Leisure & Development committee. All times of **Meetings** would be agreed by the Panel. **Communication & Reporting** – Patricia highlighted to the GGP that reports for decision, for information and minutes of this Panel would be submitted to the Leisure & Development Committee and would become part of the minutes of that meeting. **Council Reports relevant to the business of the Grant Governance Panel** - Reducing bureaucracy in grant making (L&D Sept 2021) - Grant Governance Panel (L&D Sept 2021) Patricia asked GGP if they were content to sign off on the Draft Terms of Reference. <u>Proposed by Cllr. D Nicholl</u> <u>Seconded by Ald. N Hillis</u> (R Baker apologised that he had to leave meeting to attend another @ 6:40pm).	
5.	**Declarations of Interest**	
	Cllr MA McKillop declared an interest in Cairns Residents Group and Glens Youth Club.	
6.	**Presentation of Community Grants**	
	Prior to the presentation of Community Grants, C Dunne gave a demonstration to GGP members, taking them through the application process that a grant applicant had to complete. C Dunne explained Part A of the applications, where applicants were asked to supply their details including uploading their Constitution and Accounts to enable FU to carry out due diligence and ascertain whether an applicant was capable of managing public funds. Patricia reinforced to the panel that once an applicant had completed their Part A details in any application, this could be cloned for future applications, making the process very straight forward. Chris also highlighted that multiple grant applications could be made under one application.	

NO.		ACTIONS
	Eligibility checks would then be carried out once applicant had submitted their grant. The FU Manager added that the process had been streamlined this year and the CDSG had been simplified and instead of being scored, it was assessed on a pass/fail basis. Also for the applicant there were more prompts and drop down boxes within the application, making it very user friendly.	
	She reiterated that the purpose of the GGP was to validate the assessments process before reports would be taken to council. She then presented to the panel a summary of the CDSG, SIG and CFF Grant Programme assessments, including number of applications successful and unsuccessful, ineligible, budget available and amounts recommended. She explained this was the same validation process used in the NI100 Centenary grants and it was agreed at L & D that the process should be replicated for the GGP. All projects were presented and for the purposes of brevity, only applications that were deemed unsuccessful/ineligible were looked at in more detail. Members could ask questions on any of the other applications if required. FU Manager explained that CDSG Guidance Notes stated that religious organisation, sporting clubs, schools, preschools and nurseries, single issue groups could not apply, these being the common reason for applications being deemed unsuccessful/ineligible. Ald.N Hillis asked if an organisation's application was unsuccessful, did the group receive feedback/guidance. FU Manager explained that They do receive feedback and where there are competency issues the Community Development staff support groups and look at other funding opportunities and help with applications to other funders. L Scullion commented that the Community support team ran a workshop prior to their grants opening, with over 30 attendees, highlighting what was needed for a good application etc. and that they also referred groups to Community Network Support teams in the area for help with council grant applications. They could meet with individual groups with feedback and help with e.g. Constitutions etc. The Chair commented that there were quite a lot of unsuccessful applications and asked if any of these had been in attendance at workshop. LS explained that the team would cross reference the unsuccessful	

NO.		ACTIONS
	against attendee list of workshop. She explained that there were more applications to fund this year as a result of the amount available being increased and the application form had being simplified and that the CD team would link in with first time applicants. Members present were asked if they were content with assessment process of the Community Development Support Grant, Social Inclusion Grant and Community Festival Fund. Proposed: Cllr. D Nicholl Seconded: Ald. N Hillis Cllr D Nicholl stated that it would be the best use of time and resources to meet quarterly and didn't feel that it was necessary for every grant programme to be verified through GGP due to time constraints and possible delays to applicant programmes. Cllr M A McKillop concurred. Panel to meet every quarter with a sample of assessment results from programmes being brought to the panel for review. Proposed: Cllr. D Nicholl Seconded: Cllr. M A McKillop	Reports to go to council and L & D Committee with the recommendations agreed – L Scullion Terms of Reference to be updated to reflect decision to meet quarterly – FU Manager
7.	**AORB**	
	The Chair wanted to make sure that the time suited all members going forward. All agreed that 6pm suited.	
8.	**Date of Next Meeting**	
	Meeting scheduled to be held on Thursday 28th April @ 6.00pm via MS TEAMS and quarterly thereafter.	

Meeting closed at 7:05pm.

Grants Governance Panel

DRAFT Terms of Reference

1. Background

At the November 2020 Leisure & Development committee meeting a Notice of Motion was carried and subsequently agreed at the Council meeting held in the same month, stating

That this council reviews the application process for council and community grant funding with a view to streamlining the process and ensuring easier access for community organisations. Community Organisations across Causeway Coast and Glens report that our Community grant funding process is extremely demanding and time consuming for often very little sums of money. Our Community Organisations across the area are invaluable to the prosperity of Causeway Coast and Glens and its people and are run by dedicated community volunteers who already have significant demands placed upon them. Council Community Grants should not be a significant burden to these volunteers who give their time and energy to making this a better place to live and we as a Council should be doing all we can to support them.

In order to progress the motion 2 subsequent reports were brought to the Leisure & Development Committee and agreed in September 2021 and by full Council in October 2021:
- Reducing bureaucracy in grant making
- Grant Governance Panel

Both of these reports are relevant to the business of the Grant Governance Panel.

2. 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 and eligibility criteria. This is generally done on an annual basis through the annual Members review workshop, it may now be appropriate for the Grants Governance Panel members to be first part of this process.

b. Validation Function.

The panel's role is to ensure that the assessment and scoring of applications has been undertaken in an appropriate fashion and to provide validation of the scoring and the overall process. During the pilot phase it is envisaged that one grant programme will be selected for inclusion in this process. (Community Development Support Grant).

3. 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.

    i.   Membership is comprised of the following:

       a. Six Elected Members nominated by d'Hondt

   ii.   The quorum of Panel shall be 3 Elected Members.

   iii.   The Chair of Panel will be appointed from the Elected Members present at the first meeting.

4. Powers

The Panel cannot make decisions on behalf of the Council. Any recommendations made by the Panel will be subject to approval by the Council through the Leisure & Development committee.

5. Meetings

The first meeting of the Panel will be held on Thursday 17th February 2022 and thereafter will meet on a quarterly basis as agreed by the Panel.

6. Communication & Reporting

Reports for decision, for information and minutes of this Panel will be submitted to the Leisure & Development Committee and will become part of the minutes of that meeting.

Reducing Bureaucracy Report

Agreed by Council in September 2021:

Recommendation 1:
Council adopt the DFP Code of Practice for Reducing Bureaucracy in Grant Making
Recommendation 2:
Micro grants (below £1,500) to be paid in advance.
Recommendation 3:
Small Grants (£1,500 - £30,000) - 75% of running costs to be paid at the outset of the project with the remainder paid on successful delivery of the project.
Recommendation 4:
Council cease carrying out 100% verification on all grant-aid and instead start using Financial Systems and Control Assessment (FSCA). The FSCA is used to assess the internal financial controls and procedures within a Voluntary Community Organisation (VCO) and to determine the level of financial competence of the VCO:
- Where VCOs are rated as "adequate" it reaffirms that the VCO is deemed fit to handle public funds and a funder's normal verification processes should be applied.
- Where the VCO is rated as "robust" they may be granted easements in terms of the level of financial verification carried out.
- Where a VCO has a proven track record, they should not be routinely subject to a verification check but form part of a pool of projects which may be chosen for checking as part of a random sample.

Recommendation 5:
It is recommended that where a VCO is rated "robust" and has multiple grants from Council a Lead Financial Verifier arrangement be put in place and the expenditure of only one of the projects verified.
Recommendation 6:
It is recommended that random sampling is used for organisations with a proven track record.
Recommendation 7:
Community Development Support Grant is for annual running costs for VCOs. It is recommended that successful applicants are awarded grant-aid for 3 years as per Principle 2 of the Code.
Recommendation 8:
It is recommended that standardised reporting formats are used or accepting a report which the VCO already prepares for their Board.
Recommendation 9:
It is recommended to reduce the questions in applications forms as referenced in Section 9

Grant Programme	Application Form	Scoring/Assessment
Community Development Support Grant	5 to 2 questions	Pass / Fail
Social Inclusion Grant	4 to 2 questions	Pass / Fail
Culture, Arts & Heritage Grant	7 to 3 questions	Scored
Creative Practitioners Bursary Scheme	N/A	Pass / Fail
Building United Community Fund	12 to 6 questions	Scored
Youth Creative Skills Bursary Scheme	N/A	Pass / Fail
Christmas Festive Fund	1 x question & budget	Pass / Fail
Town Twinning Fund	1 x question & budget	Pass / Fail

Recommendation 10:
It is recommended to replace the scoring of 6 x grant programmes outlined in Section 9 with pass/fail criteria.

Summary of Principles of the Code of Practice for reducing Bureaucracy in Grant Making

BEST PRACTICE PRINCIPLE 1
When developing revenue grant funding programmes funders should seek to join up their programmes where the objectives align with, or are complementary to, those of other funding programmes.

BEST PRACTICE PRINCIPLE 2
If a project is for a defined period, for example three years, the grant offer should cover the full period and not be funded annually.

BEST PRACTICE PRINCIPLE 3
The Funders' Passport should be adopted by all funders and shared via the Government Funding Database (GFD).

BEST PRACTICE PRINCIPLE 4
The Funders' Passport Declaration and the Policies and Procedures Declaration should be used in all subsequent applications for funding.

BEST PRACTICE PRINCIPLE 5
Decisions on continuation funding should be approved and communicated to VCOs at least three months before the expiry of the existing project funding to avoid the need for placing staff on protective notice.

BEST PRACTICE PRINCIPLE 6
The Financial Systems and Control Assessment (FSCA) of Voluntary and Community Organisations should be operated by all funders.

BEST PRACTICE PRINCIPLE 7
Where a VCO is rated "robust" under the FSCA process and has multiple grants from the same funding body a Lead Financial Verifier arrangement should be put in place and the expenditure of only one of the projects verified.

BEST PRACTICE PRINCIPLE 8
Where a VCO is rated "robust" under the FSCA process and has multiple grants from different funding bodies a Lead Financial Verifier arrangement should be explored and put in place where possible.

BEST PRACTICE PRINCIPLE 9
Funders should allow "robust" rated VCOs the discretion to manage their grant in year.

BEST PRACTICE PRINCIPLE 10
Funders should routinely pay three months salaries for funded staff at the outset of a project and three months in advance thereafter. For "robust" rated VCOs six monthly advances of salaries should be applied.

BEST PRACTICE PRINCIPLE 11
Funders should be flexible when dealing with running costs and pay them in advance where a particular need has been identified.

BEST PRACTICE PRINCIPLE 12

Where only an element of a claim is in dispute a funder should make part payments for the remainder of the claim.

BEST PRACTICE PRINCIPLE 13
Funders should either accept the project information provided by a VCO to its Board or adopt a Standard Reporting Template to evidence project delivery.

BEST PRACTICE PRINCIPLE 14
Six monthly project reporting should be the agreed normal reporting period for VCOs, however, annual reporting should be considered for "robust" rated VCOs who are in a long term funding relationship and have a good track record of project delivery.

Small Grants (£1,500 - £30,000)

BEST PRACTICE PRINCIPLE 15
For small grants, salaries should be paid six months in advance, on receipt of the first claim form which should be completed and returned with the signed Letter of Offer.

BEST PRACTICE PRINCIPLE 16
For small grants, up to 75% of running costs should be paid at the outset of the project with the remainder paid on successful delivery of the project.

BEST PRACTICE PRINCIPLE 17
For small grants, financial verification should be based on the VCO's previous track record. Those having successfully delivered previously should be part of a pool of projects which may be chosen for checking as part of a random sample.

Micro Grants (below £1,500)

BEST PRACTICE PRINCIPLE 18
Micro grants should be paid in advance, however, where a funder deems this inappropriate they should make payment as soon as valid receipts are received and checked.

BEST PRACTICE PRINCIPLE 19
The minimum amount of information should be collected to evidence the successful completion of a micro grant project.

Companies House and Charities Commission checks are not part of the due diligence checks undertaken to test the eligibility of an applicant, however, if the applicant has a high risk rating, or has given cause for additional scrutiny to be applied then these checks are made.

This is a recommendation that the FU would like to work towards. At present, due to resource constraints we cannot undertake to complete 100% of this, however as part of our due diligence when checking the eligibility of applicants we will complete these checks for all higher risk applicants. In addition we will carry out random sampling on 20% of applicants to ensure full compliance with Companies House and Charities Commission. Any applicant found to be non-compliant will be deemed ineligible to apply for Council funding until their compliance is restored.

Accounts preparation: all charities (whether registered with the commission or not) **must prepare accounts and make them available on request**. ... Registered charities with a

gross income of less than £10,000 in the financial year are asked to complete the annual return for certain items.

The Finance Act 2020 had increased the tax audit limit for a person carrying on business from ₹1 crore to **₹5 crore**, subject to a condition that cash receipts and cash payments during the year do not exceed 5 per cent of the total receipts/payments. The Finance Act 2021 further increased this limit to ₹10 crore

Full company accounts comprise **a profit and loss account, a balance sheet and detailed notes to the accounts**. These are the essential elements of the full accounts. In addition to this, full accounts will also include an accountant's report and a director's report.