

## **Constitution Committee**

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**Date of Meeting:** 20 September 2018

**Report Title:** Proposed Changes to Grant Application Process

**Senior Officer:** Daniel Dickinson, Acting Director of Legal Services

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### **1. Report Summary**

- 1.1. This report reports sets out a practical difficulty in relation to processes that apply, in the Constitution, when the Council wants to apply for external grant funding. The report proposes changes to those processes to remove that difficulty, without altering the appropriate degree of member oversight that currently applies to those processes.

### **2. Recommendations**

2.1 That the Constitution Committee recommends to Full Council alterations to the Constitution so that:-

- a) officers are, in consultation with the relevant portfolio holder, able to apply for external grant funding opportunities; and
- b) the requirement for relevant member approval (in accordance with the financial thresholds currently set out in the constitution) be applied to a decision to accept grant funding offered, not to apply for it (as is currently the case); and
- c) the S151 Officer is empowered (in consultation with the relevant portfolio holder and the Portfolio Holder – Finance and Communications) to approve supplementary capital or revenue estimates, where those estimates are fully funded through the ring-fenced grant funding awarded, in order to enable the Council to accept awarded grant funding and apply it for the purposes for which it has been awarded.

2.2 That drafting to be proposed to Council in order to achieve the amendments set out under paragraph 2.1 above be prepared by the Director of Legal Services in consultation with the Chairman of the Constitution Committee.

### **3. Reasons for Recommendations**

- 3.1. The current processes that relate require officers to seek Member approval (and any associated supplementary capital or revenue estimates) prior to submitting a bid for grant funding. By the very nature of grant funding opportunities, there is often insufficient time available to proceed through the member approval routes (typically Cabinet/Council) and meet the timescales associated with a grant funding offer. The proposed changes would remove those time constraints whilst ensuring appropriate member oversight continues, in accordance with the controls already contained within the constitution.

### **4. Other Options Considered**

- 4.1. There are no alternative options to consider if the identified issue is to be addressed.

### **5. Background**

- 5.1. Grant Funding opportunities often arise with little or no notice, when an external body finds itself in a position to make funding available to address a current perceived need. Where those opportunities align with Council priorities and initiatives, the Council needs to be positioned to move quickly to take advantage of such opportunities.
- 5.2. Currently, the Constitution (paragraph 6.26 of the Financial Procedure Rules on page 234) requires officers to seek “appropriate” Member approval prior to submitting bids for grant funding. The Constitution is silent on what amounts to “appropriate” Member approval, so a prudent approach is to apply the thresholds set out in the financial procedural rules referred to below.
- 5.3. Receiving grant funding will usually put a Service in a position where it is seeking to spend that funding outwith activities or expenditure identified in existing approved budgets. In that scenario, the Financial Procedure Rules require a supplementary revenue or capital estimate (as the case may be) in order to reflect the income and expenditure proposals in the relevant budget.
- 5.4. In respect of Supplementary Revenue Estimates, Rules 2.39 and 2.40 apply (page 189 of the constitution) requiring, in the case of amounts over £500,000, Cabinet approval, and in the case of amounts over £1,000,000 Council approval on the recommendation of Cabinet. Rule 2.45 (page 191 of the constitution) applies the same threshold in respect of Supplementary Capital Estimates.

- 5.5. The requirement to seek “appropriate” Member approval prior to submitting a bid can constrain the Council’s ability to prepare and submit a bid on time, given the tight timescales that usually apply between notification of a bid opportunity, and the deadline for submitting bids. That constraint is most acute where bids are to be submitted for sums in excess of £500,000 and £1,000,000 (amounts likely to generate the most significant benefits for the Council and its service users) because officers currently have to plug into the Cabinet and Council reporting processes and timescales to get approval to make a bid, by which time the opportunity may well have passed.
- 5.6. Furthermore, there are often conditions attached to bid offers, which often are not crystallised until the point in time when a bid has been successful and a funding offer is made. Thus when seeking approval from Members to make a bid, officers are not always in a fully informed position in terms of being able to brief members on the conditions that apply to the funding opportunity in question.
- 5.7. Altering the constitution so that member approval is only required to accepting a bid more readily enables bid process timescales to be met. The requirement to consult with the portfolio holder before submitting a bid does not impact on timescales and offers adequate Member oversight in terms of selecting which bidding opportunities to take.
- 5.8. The commitment to grant funding and associate conditions does not arise at bid stage, but when a successful bid is accepted. Member approval, in accordance with the current thresholds, at that time is more appropriate in terms of the grant funding conditions being known, and in terms of facilitating compliance with bid process timescales, but maintains current levels of Member control over the actual commitment to accept a bid.
- 5.9. The delegation sought in terms of the administrative budgetary requirements that relate to supplementary estimates is also necessary if the Council is to be able to avail itself of this more fleet of foot approach. The absence of that delegation would render redundant a change to the timing of the member approval requirement in the bidding process set out above.
- 5.10. The parameters of the delegation sought in terms of supplementary estimates, in relation to the requirement that they are fully funded, ring fenced and undertaken in consultation with the portfolio holders, is considered to offer ample safeguards in governance terms.

## **6. Implications of the Recommendations**

### **6.1. Legal Implications**

6.1.1. The legal implications of the recommendations are contained within the main body of this report.

### **6.2. Finance Implications**

6.2.1. There financial implications in terms of the requirements of the Financial Procedure Rules are set out within the main body of this report.

### **6.3. Policy Implications**

6.3.1. There are no direct policy implications.

### **6.4. Equality Implications**

6.4.1. There are no direct equality implications, although grant funding opportunities typically arise to address inequalities. Being better able to respond to those opportunities can only impact positively on equality obligations.

### **6.5. Human Resources Implications**

6.5.1. There are no direct human resources implications.

### **6.6. Risk Management Implications**

6.6.1. There are considered to be ample controls in the proposed new approach to address any risks that might arise.

### **6.7. Rural Communities Implications**

6.7.1. The position is much the same as with equality implications.

### **6.8. Implications for Children & Young People**

6.8.1. The position is much the same as with equality implications.

### **6.9. Public Health Implications**

6.9.1. The position is much the same as with equality implications

## **7. Ward Members Affected**

7.1. The implications of the proposed changes are Borough-wide.

## **8. Consultation & Engagement**

- 8.1. There are no specific requirements; however Cabinet members have been briefed on the proposal in light of the Cabinet's role under the financial procedure rules set out above.

## **9. Access to Information**

- 9.1. There are no particular documents supporting this report. The constitution is available on the Council's website.

## **10. Contact Information**

- 10.1. Any questions relating to this report should be directed to the following officer:

Name: Daniel Dickinson

Job Title: Acting Director of Legal Services

Email: [daniel.dickinson@cheshireeast.gov.uk](mailto:daniel.dickinson@cheshireeast.gov.uk)