DERBYSHIRE
County Council

Agenda Item

FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

13 JANUARY 2022

Report of the Managing Director

NEW GRANT FUNDING PROSPECTUS AND FRAMEWORK 2022-23
(Health and Communities)

1.   **Divisions Affected**

1.1   County-wide

2.   **Key Decision**

2.1   This is a key decision because it is likely to result in the Council incurring expenditure which is, or savings which are significant having regard to the budget for the service or function concerned and it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more electoral areas in the County.

3.   **Purpose**

3.1   To outline proposals to establish a new strategic one council grants funding approach, to seek approval for the Council's new grant funding Prospectus and Framework 2022-23 and to launch the first new grants programme from January 2022.

4.   **Information and Analysis**

4.1   Background

Derbyshire's communities are better places to live thanks to the commitment of local people who care for each other, run local clubs and activities and are passionate about improving where they live. The Council wants to ensure that our communities in this context continue to thrive.

Local people, communities and the voluntary and community sector have played a vital role supporting residents and the Council during the pandemic and community groups, local enterprises and volunteers have made a significant positive impact across the county. These proposals will seek to ensure our communities and the sector thrives and that the Council can provide vital resources and support to deliver outcomes important to local communities and local people going forward.

The Council has different mechanisms in which it can support local people, communities, and the voluntary and community sector and a significant one is through grant funding. The Council develops and delivers its own grant funding programmes but also delivers grants and grant programmes on behalf of third parties, such as Government.

Following a recent review of grant funding across the Council, work has been taking place to develop a coordinated one council strategic grants approach and programme to deliver positive change that is built around people and the places where they live and work. This new coordained approach is concerned with grants regarding the Councils own expenditure and not those of a third party, who often set their own regulatory framework for delivery.

The new approach will lead to a fundamental change in the way the Council currently delivers grant funding, putting in place transparent and consistent processes and procedures whilst aligning grant funding to the Council's ambitions and priorities.

4.2   New one council strategic grant funding approach

The Council's proposed new one council strategic approach will distribute grants using an outcomes-based model, supporting innovative and creative activity, projects, and programmes to secure improved outcomes which meet the ambitions set out in the Council Plan 2021-25.

The Council's current grant funding approach has developed and grown over time and this has resulted in a piecemeal approach with many different funding opportunities on offer at any given moment in time. The recent review of grant funding across the Council highlighted a

number of challenges with this approach including a lack of transparency and clarity and inconsistency of approach which had emerged as a result of lack of shared policies, practices and protocols.

The new one council strategic grant funding approach will begin to bring grant funding opportunities from across the Council into one place and will start to embed a consistent approach that is fair and proportionate, dependent on the level of funding awarded.

The new approach will be underpinned, initially, by two fundamental documents:

- A Funding Prospectus – The Prospectus will set out the Council's strategic grant funding priorities on an annual basis. This will be a flexible and agile document which will be refreshed regularly to reflect the Council's funding priorities at any given time.

- A Funding Framework – The Framework will set out the technical grant funding requirements which will apply to grants promoted through the Prospectus. This will enable the Council to provide clarity and transparency to funding recipients whilst also moving towards a greater degree of consistency across the Council. The Framework is a longer term, technical document and whilst it will be refreshed to reflect changes to the Council's grant funding processes and procedures when required, it will be done so less frequently.

The new approach will enable the Council's grant investment to be more efficient and effective resulting in greater value for money whilst supporting a fairer and more equitable allocation of funding across a wide range of activity, projects and programmes moving forward as the approach develops and grows.

4.3   Derbyshire Grant Funding Prospectus and Grants Programme 2022 - 2023

The focus of the Council's grant funding approach over the forthcoming year will be to invest in local people and communities to create opportunities for them to adapt, develop and grow. The Council is seeking to fund activity, projects and programmes which support residents across our communities to feel greener, safer, happier, healthier and more included.

The Derbyshire Grant Funding Prospectus 2022-23, which is attached at Appendix 2 for consideration and approval, sets out the strategic priorities and outcomes-based model for the forthcoming year. The

Prospectus will enable groups and communities to bring forward good ideas and projects, outlining how these will make their communities better places, whilst also delivering on the ambitions outlined in the Council Plan.

During 2022 and 2023, the Council will be looking to grant fund projects or activities which meet the following five priorities and support residents and/or communities to:

- Feel safe and included in their local community
- Promote positive behaviours for young people and residents
- Be green and sustainable
- Increase civic participation and deliver community identified priorities
- Be physically active and make positive lifestyle choices

All five funding priorities meet more than one of the Council's strategic outcomes as set out in the Council Plan.   Projects will need to meet at least one priority to be eligible to receive funding. Those projects that can demonstrate that they meet more than one priority will be eligible to apply for higher levels of funding from the programme.

The funding allocation for 2022 and 2023 will total £1.5 million. Funding will be distributed across the five priorities as outlined above. As outlined in the Prospectus, the Council reserves the ability to ringfence identified funding to support specific priorities and/or communities, to deliver equity of provision particularly for priorities or in local communities where no applications of sufficient quality are received.

4.4   Derbyshire Grant Funding Framework 2021 - 2025

A key element of the Council's proposed strategic approach is to introduce a longer-term funding framework. The Derbyshire Grant Funding Framework, attached at Appendix 3 for consideration and approval, will sit alongside the Grant Funding Prospectus and will introduce a consistent and scaled approach to grant funding which is fair and proportionate dependent on the level of funding awarded.

Having an agreed framework will ensure processes are simple, allow activities to flourish and will encourage people to apply for a grant award whilst also ensuring that organisations, in receipt of funding for projects or activities in their local communities, are held to account for the funding they receive, striking a healthy balance between due diligence and processes which are clear and easy to use.

The Framework separates grant funding into four scaled categories of awards, outlined below. These financial categories have been aligned to the Council's current procurement rules and procedures:

o Small Grants – supporting activity or projects under £1,000
o Medium Grants – supporting activity or projects between £1,001 - £20,000
o Large Grants – supporting projects and programmes between £20,001 - £50,000
o Exceptional – supporting projects which are over £50,001

Having a consistent approach to grant funding aligned to, but discrete from, the funding priorities set out in the Prospectus, will ensure that grant processes and procedures are consistently applied and both fair and proportionate.

Whilst the Council wants to encourage communities, local organisations and groups of people to apply for grant funding, there is an expectation that higher awards of funding will need to demonstrate detailed planning, local support and greater alignment to Council's identified priorities to be successful.

This means that the obligations placed on any organisation seeking grant funding will be commensurate to the financial risk should things go wrong, and that these obligations are scaled and consistently applied.

4.5   The application process and awarding of grants

The new Grants Programme 2022-23 will be launched in January 2022 and will accept applications initially for a two-year period from 2022-23 based on the proposed priorities outlined in the Grants Prospectus.

Applicants wishing to apply for a small grant will be able to do so at any time throughout the year, through a central point of contact. Applicants wishing to apply for a larger grant can do so at any time but such grants will be subject to published assessment rounds. This will allow officers to effectively monitor and administer the programme and compare applications to ensure value for money and an equitable spread of funded projects across the county to meet identified needs.

A common application form will be used for all grant applications, which will enable applications to demonstrate how projects meet identified priorities and to outline the level of funding sought. Organisations applying for larger grants will be expected to supply additional information and evidence to support their application.

Applicants will be encouraged to complete their application form electronically to minimise the costs of administering the programme. Hard copy applications will be only be accepted from those groups/organisations for small grant applications (under £1,000).

Selection and assessment criteria, to support decision making by grant officers and grants panels, have been developed. All projects will need to be able to meet the following criteria to be considered:

- Support activity benefiting a designated area or area of interest in Derbyshire
- Be time limited and not require ongoing funding from the Council.
- Be delivered within agreed timescales
- Show how local people have helped in the identification of activity or have been consulted/engaged
- Show what difference will be made.

Applications that do not meet selection criteria will not be put forward for consideration. Those that meet the selection criteria will then be assessed. The assessment process will take into account the evidence provided and the amount of funding requested, but in principle all funding will be assessed using the following broad assessment criteria:

- Clear evidence of unmet need
- Meets the Council's priorities and strategic outcomes
- Provides value for money
- Lasting impact and sustainability.

Funding will be allocated on project merit. Applications which have the largest impact locally and can most contribute to the Council's priorities are more likely to be successful.

Whilst the Council is keen to support projects which are likely to be successful, it is also committed to building local capacity and capability in areas. This means that the Council will reserve the ability to ringfence funding to support capacity building activities in communities or to support equity of provision where no applications of sufficient quality are received.

Officers will be delegated responsibility for assessment of applications and making recommendations for determination of award to ensure that up to £1,000, funding can be issued for successful applications efficiently and effectively. It is proposed that these are signed off

through existing financial and/or control systems at regular intervals throughout the financial year.

Applicants wishing to apply for grant awards above £1,000 will be subject to a two-step process. Applications will be assessed against eligibility criteria and then submitted to a central Grants Panel for consideration.

Grants Panels will be used to draw in relevant expertise across the broad range of funding areas, to ensure that as far as possible there is consensus on successful applications and that assessment criteria are being applied fairly. Panels will have a range of representation from across the Council and may include partners where appropriate. Panels will be advisory and make recommendations about projects to fund and grant awards to make.

Determination of awarding funding will also be completed through existing financial and/or control systems. Approvals will be reported on a quarterly basis to the relevant Portfolio Holder depending upon the focus of the application. Applications which are above £50,001 will have to submit a business case and seek recommendation from the Grants Board, before determination.

Awards will be made to successful applicants upon confirmation that the relevant organisation has met the Council's legal requirements. The budget will be centrally managed and regular reports on progress will be made to the relevant Portfolio Holder as highlighted above.

4.6   Sustainability and financial risk

Grants should not be considered by applicants as an ongoing funding stream beyond the agreed period. For small amounts of funding the Council may be content with one-off or time limited projects. For larger grant awards, funding should have lasting community impact or activity should continue after the initial funding has been secured. Projects which have a clear and realistic plan for the future are more likely to obtain a higher assessment score and are therefore more likely to be successful in receiving grant funding.

Additionally, for any grant above £1,000, funding which exceeds 25% of an organisation's annualised income will trigger a risk assessment regarding financial sustainability. The Council has a duty of care to ensure that successful applicants are not, or do not become, financially dependent on one source of funding, to an extent that the project, programme, or activity could be de-stabilised.

This does not mean that funding will be automatically withdrawn, but that risks are managed in discussion with the grant recipient.

4.7   Monitoring

Any grant awarded to an organisation or group, regardless of size, should, as a minimum, be able to provide the Council with proof that the grant has been spent on the activity intended and outlined in the grant application. Those in receipt of a grant should also be willing to participate in mechanisms which support the Council in understanding the social, community and economic impact of the award and be able to provide evidence to this endeavour.

All those in receipt of a grant will be required to fill out a monitoring/evaluation form upon completion of the project or at specific pre-agreed times. The extent of the detail needed in this will be proportionate to the size or circumstance of the grant.

A small award will, as a minimum, require the following evidence:
• Confirmation of spend
• An itemised list of purchases
• An outline of the activity which was subsequently funded.

A larger award will, as a minimum, require the following evidence:

• Receipts/ Invoices for evidence of spend
• Photos or videos
• Measurable activities (number of attendees for example)
• Case studies.

4.8   Grant support, coordination and administration

The administration of any grant funding activity needs to be properly resourced and co-ordinated to ensure the Council maximises the use of available resources and achieves value for money.

Additional resources, both in terms of capacity and capability will be required to implement the grants funding programme. This is particularly important given that the Council will continue to establish new, joint ways of working across the authority at the same time as launching the new grant funding programme from January 2022 onwards.

It is therefore recommended that 10% of the total programme funding be supplemented to support the centralised coordination of the programme and administrative costs. This is a recognised, standard allocation and is equivalent to other grant funds that the Council administers such as the Holiday Activities Fund.

Having adequate resources aligned to grant funding can be used to:

- Support applicants with enquires and advise appropriately to support the development of relevant and appropriate projects and activities
- Ensure that grants can be assessed and awarded in good time, enabling projects and activities to be delivered promptly
- Organise panels and ensure robust mechanisms for decision making
- Regularly monitor funding and provide a sufficient level of aftercare for recipients, ensuring funding is utilised for its intended purpose
- Update the Prospectus annually to support the development and delivery of future programmes
- Work closely with applicants and recipients to understand and continue to learn what works well, and what doesn't work well across the programme
- Celebrate what can be achieved with grant funding, recognising the impact that has been made and the outcomes for people across Derbyshire.

Dedicated work to support groups applying for funding is essential, both to increase the diversity of groups applying for funding but also to direct funding to its most suitable place. This can increase and improve applications from all areas of the county and support equity of provision. It can also help ensure that applicants understand what is required of them and their obligations if they are to be successful. Building the capacity and capability of the groups to deliver increases the likelihood that a project is successful.

Dedicated officer resource can work alongside local CVS organisations, which supports voluntary and community groups in Derbyshire, offers advice on sources of funding and can help community groups to set-up and become constituted.

The Council is also currently exploring the use of online and automated IT processes in line with the channel shift programme, which will support the development and use of online applications and modernised grant management processes. This will both improve the customer experience and reduce officer time spent on administration. This system will take time and resources initially to develop, design and build, but in

the long term this would streamline processes and allow more officer time to work on the positive activities identified above.

4.9   Future Approach

It is the ambition of the Council to further develop its strategic one council grant funding approach and to continue to work on a set of shared policies and practices which will align spend and activity whilst embedding the approach across the Council.

The Council has a significant number of one-off grants, grant programmes and approaches to grant funding in place across the Council, with their own processes and practices for administering funding. It is important that as the proposed Prospectus and Framework develops and becomes embedded, it can accommodate all Council grant funded activity in the future to provide much needed strategic oversight and deliver a consistent grant funding approach across the authority.

The Council will work with departments in anticipation of a refresh of the Prospectus, to increase alignment and ensure the inclusion of additional grant funded activity in the future. Further reports on the development of the approach as the scope widens will be brought to Cabinet in due course.

5.   Consultation

5.1   Not applicable.

6.   Alternative Options Considered

6.1   Alternative Option 1 Do Nothing – The Council could maintain current arrangements and not bring forward a new one council strategic grants programme. However, this is not the Council's preferred option as it does not support the delivery of the authority's strategic priorities. Providing grants to communities which support green and sustainable projects is a headline initiative outlined in the Council Plan 2021-25, with an ambition to begin delivery of this priority in the first 12 months of the plan. Alongside this new approach, the Council is also reviewing its current recurring grants to the voluntary and community sector. It is essential that this approach is established, and programme launched before the grants review is completed. If the Council takes a decision to stop awarding a grant, the proposed prospectus and framework will

provide alternative one-off grant funding to the voluntary and community sector organisations to support projects which meet the new strategic grant funding outcomes and priorities.

7. Implications

7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

8.1 Report to Cabinet 29 July 2021 – Voluntary and Community Sector Review

9. Appendices

9.1 Appendix 1 – Grant Funding Prospectus 2022-2023
9.2 Appendix 2 – Grant Funding Framework 2022-2025

10. Recommendations

That Cabinet:

a) Approve proposals to establish a new one council strategic grants programme for the Council which as outlined in the report.
b) Approve the Derbyshire Grant Funding Prospectus 2022-2023.
c) Allocate an initial sum of £1,650,000 to support the launch of the new Grant Funding Prospectus and Grants Funding Programme in January 2022.
d) Approve proposals to establish the Derbyshire Grant Funding Framework 2022-2025 as set out in the report.
e) Approve proposals to allocate ten percent of the total funding for coordination of the programme and associated administrative costs.
f) Receive reports on progress of the approach at a future meeting and further proposals for the broadening, development and refresh of the Prospectus as additional grant funding activity from across the Council is aligned to the new approach.

11. Reasons for Recommendations

11.1 To ensure the Council brings together all grants funding activity into one place to enable greater oversight, consistency, transparency and value for money moving forward.

11.2 To allow the Council to bring forward a strategic grants programme in January 2022 to enable the Council to deliver its strategic priorities.

11.3 To put in place the budget and resources required to implement the new strategic grants programme from 2022-23 onwards.

11.4 To ensure the Council develops a consistent and proportionate approach to grant funding

11.5 To ensure that the new grants programme and approach is resourced adequately to support effective development, administration, monitoring and evaluation of the programme.

11.6 To support the ongoing development of the approach and ensure that the Prospectus can be refreshed to reflect any new identified or emergent priorities.

12. Is it necessary to waive the call in period?

12.1 No

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<u>Implications</u>

Financial

1.1   Proposals outlined in the Grants Prospectus for a two-year period, as
        set out in the report and Appendix 2, total £1,650,000, with up to 10%
        allocated for administration, will be met from general reserves.

1.2   To ensure that there is compliance with the Council's Financial
        Regulations, all approved projects will be issued with standard
        conditions of grant and will be subject to monitoring and evaluation.

Legal

2.1   The Council has power to provide grants under the general power of
        competence set out in section 1 of the Localism Act 2011.

2.2   The Council's standard grant agreement shall be used to set out the
        terms and conditions for which the grant is made. This includes
        conditions for clawback of funding in certain circumstances and states
        that the Council is not liable for any employment liabilities.

Human Resources

3.1   It is proposed that 10% of the total funding is allocated for coordination
        of the programme and administrative costs. It is likely that this would
        funding would be used to recruit posts to provide adequate capacity.

        It is proposed that any new posts will be created on a fixed term basis,
        and as such, will be subject to the Council's redundancy and
        redeployment policies and procedures. Where employees are on fixed
        term contracts, employment law determines that they may be entitled to
        claim both unfair dismissal and/or redundancy payment at the
        termination of their contract.

        Any new or changed jobs resulting from the revised grant funding
        approach will be subject to job evaluation and grading levels in line with
        the HAY job evaluation scheme.

Information Technology

4.1   None

Other

5.1   With regard to any organisation providing services to children or vulnerable adults, approval of financial support is conditional on the existence within these organisations of appropriate procedures assessing suitability to work with children or vulnerable adults.

Equalities

6.1   Derbyshire County Council's Equality and Diversity Policy sets out the Council's commitment to advancing equality and celebrating diversity within Derbyshire. Information to support the Council in undertaking equalities monitoring will be collected to celebrate diversity and support initiatives for greater equality and awareness. This will include take up of the different levels of grants as well as geographical coverage to ensure equality of access across different communities in Derbyshire

Corporate objectives and priorities for change

7.1   The review of grant funding to the voluntary and community sector is a key priority outlined in the Council Plan 2021-25. The review is essential and will ensure that that resources allocated support the Council's ambitions in supporting a fairer and more equitable allocation of funding moving forward.

8.2   Providing grants to communities which support green and sustainable outcomes is also a headline initiative outlined in the Council Plan 2021-25, with an ambition to begin delivery of this priority in the first 12 months of the 2021-2025 plan.

Derbyshire County Council Grant Funding Prospectus 2022-2023

1. Introduction

Derbyshire's communities are better places to live thanks to the commitment of local people who care for each other, run local clubs and events and are passionate about improving where they live.

The support local groups, enterprises, agencies and organisations offers to communities and individuals through increasing residents social and cultural opportunities plays a vital role in keeping people active, connected to others, improving health and wellbeing and providing a safety net for people during times of difficulty. Much of this activity is not driven by the Council but by local people responding to community needs. We want to ensure that communities this context continue to thrive.

We know that the people in local communities have great ideas about what would make where they live better and we want to help them make this possible by providing grants which support local organisations to turn good ideas into activity and projects which make a difference. We want to build on the strengths of people and communities across the county and support projects that provide the chance for all residents to feel fully part of the areas in which they live.

2. Our strategic grant funding priorities

The objective of the strategic grants programme is to deliver positive change that is built around communities and people. The new approach will distribute grants based on an outcomes model and will enable communities, organisations and groups of people to be innovative and creative, whilst securing improved outcomes which meet the ambitions set out in our Council Plan 2021-25.

Our strategic outcomes

Our five strategic outcomes, as set out in the Council Plan, are as follows:

1. Resilient, thriving and green communities which share responsibility for improving their areas and supporting each other
2. Happy, safe and healthy people, with solid networks of support, who feel in control of their personal circumstances and aspirations
3. A strong, diverse and clean economy which makes the most of Derbyshire's rich assets and provides meaningful opportunities for local people to achieve their full potential
4. Great places to live, work and visit with diverse cultural opportunities, and a healthy and sustainable environment for all

5. High quality public services that work together alongside communities to deliver services that meet people's needs

All grant funded activity will need to demonstrate how it meets one of more of the outcomes

Our Grant Funding Priorities 2022 and 2023

During 2022 and 2023 we will be looking to grant fund projects or activities which support residents and/or communities to:

	Contribution to Outcomes
Feel safe and included in their local community	1, 2
Promote positive behaviours amongst young people	1, 2, 3, 5
Be green and sustainable	1, 3, 4
Increase civic participation and deliver community identified priorities	1, 5
Be physically active and make positive lifestyle choices	2, 5

We would like to hear from communities and groups of people about their ideas to change people's lives in Derbyshire and the activity and projects which will make a real impact on the ground. To ensure that our strategic outcomes are being met, we expect projects to meet at least one of the priorities outlined above in order to be eligible to receive funding from the programme. Projects that can demonstrate that they meet more than one priority will be eligible to apply for higher levels of funding.

A strong focus on outcomes will be important in determining the response and recovery from COVID-19 over the life of this grants programme, and therefore projects which target those experiencing disproportionate challenges as a result of the pandemic or face multiple disadvantage will be prioritised. This will be determined through the application and assessment process.

3. Key Information

The funding allocation for the 2022 and 2023 will total £1.5 million and funding will be distributed across the five priorities as outlined above. Projects, activities and programmes can be supported for a maximum of two years. Application amounts should be totalled over the life of the grant. In line with the new Grant Funding Framework, the following categories of funding can be applied for.

Small	under £1,000
Number of Outcomes Met	1 or more
Number of Priorities Met	1 or more
Schedule	Can be applied for at any time
Deadlines	Open process

Medium	£1,001 – £20,000
Number of Outcomes Met	2 or more
Number of Priorities Met	1 or more
Schedule	Every 3 months
Deadlines	See section 8

Large	£20,001 - £50,000
Number of Outcomes Met	2 or more
Number of Priorities Met	2 or more
Schedule	Every six months
Deadlines	See section 8

Exceptional	Over £50,000
Number of Outcomes Met	2 or more
Number of Priorities Met	2 or more
Schedule	Once a year
Deadlines	See section 8

To apply
Applicants are required to complete the online application form available through our website and submit it by the stated deadline. We cannot consider applications unless all the requested information outlined in the Framework is supplied. Applications will be scrutinised and subject to a formal approval process and due diligence checks prior to award.

The Derbyshire Grants Board reserves the ability to further ringfence of this fund to support activity which meets specific priorities and/or communities, to support equity of provision where no applications of sufficient quality are received.

4. Developing a project

The Council receives more applications than it can fund and as such will be looking for applications which have the biggest impact locally and which can contribute the most to the Council's priorities.

The following pre-application questions should be considered by all applicants before an application is completed. This will enable applicants to demonstrate why the project is required, the potential impact of the project on the local community whilst highlighting the need for the proposals:

1. What outcomes will focus on achieving and how do you know these are priorities in your community?
2. What will your project seek do and how will you work to make an impact on your chosen priorities?
3. What will you look to strengthen or build upon within your local community?
4. How will your community be in an improved position when your funding ends?
5. Why do you think your proposal will create positive changes?
6. What outcomes will you expect to see if your work is successful?
7. How will you evidence to us that your project has been successful?

Tips
- Think about each question **carefully** and **be realistic**
- Ensure your application provides **sufficient detail** for us to know what it is you will deliver with the grant
- **Be specific** about what you will be spending the grant on. Break down how the grant would be spent to enable the project to take place
- Remember this is about **making a community impact** and not about your organisation
- Projects that are applying for medium and large grants will be required to provide much more information proportionate with the amount of money being requested.

5. Sustainability and Financial Risk

The Council is committed to funding organisations in a fair and responsible way. Grant funding should enable those in receipt of funding to go from strength to strength rather than become dependent on funding and vulnerable to changes should funding priorities change. This is about being responsible for the way we use grant funding and that communities are in a healthier and more resilient position than before.

Grants within this strategic programme should not be considered an ongoing funding stream beyond the agreed period and it is important that grants are awarded in a way that ensures that the activity or the impact of grant funded activity is sustained.

For small amounts of funding, the Council may be content with projects being one-off or only lasting for a finite period of time, but for larger awards, the Council will be keen to understand how funding will have lasting community impact or how activities will continue after the initial funding has been secured.

The grant assessment process will have specific criteria relating to impact and sustainability and therefore projects which have a clear and realistic plan for the future are likely to obtain a higher assessment score and as such are more likely to be funded.

Additionally, for any grant above £1,000, funding which exceeds 25% of an applicant's annualised income will trigger a risk assessment regarding financial sustainability. The Council has a duty of care to ensure that grant recipients are not financially dependent on one source of funding.

This does not mean that funding will be automatically withdrawn but that risks are managed. It will be down to officers to discuss these risks with the grant recipient.

6. Monitoring and evaluation

Monitoring and evaluation is something we take seriously at the Council. This has a dual purpose:

- For the Council, this is to ensure that public funds are protected and provides value for money and;
- For applicants, to ensure that they are supported and advised on what to do if things do not go to plan.

The Council has worked hard to develop processes to support organisation to effectively monitor their projects and to let us know how things are going. We know that monitoring and evaluation is difficult and takes valuable time away from your important work.

This is why we will only ask for information that is necessary to understand how funding has been spent and what has been achieved. As such it is important that these are submitted to us, when asked, in a timely fashion.

If your application is successful you will be contacted by the Council who will, outline the requirements and conditions of grant payment, explaining your obligations to us as a funder.

All those in receipt of a grant will be required to fill out a monitoring/evaluation form at the completion of the project. The extent of the detail needed in this will be proportionate to the size or circumstance of the grant, outlined in the monitoring framework set out below.

Forms will be reviewed to ensure adequate monitoring evidence has been submitted. The Council may contact grant recipients for more evidence or clarification if required.

Evidence of spend

Recipients will be required to keep any evidence of spend for audit purposes. These will then need to be submitted to the Council online with original copies produced on request. These can be in the form of invoices, receipts, proof of purchase etc. Evidence cannot predate when the grant was awarded. These can be uploaded periodically to our database and stored easily.

Regular contact

We are committed to keep in regular contact with those we fund. Dependent on the size of the grant, regular contact will be maintained to support with any issues that may arise. This will be in the form of emails, phone calls and for larger grants, site and/or project visits. These will be planned from the start of the project. Recipients will be obligated, within reason, to make every effort to maintain contact.

Project plan reviews/progress reports

Larger projects, programmes or activities will be subject to a project plan review or progress report. These will be required at set times during delivery, which will be outlined at the start of the grant.

These touchpoints will be an opportunity to look at the original bid document and evaluate how delivery is progressing both in terms of timescale and spend, how the project will progress and whether the project is on track. Where appropriate, a decision can then be taken on next steps.

Monitoring Framework

The following checklist sets out the monitoring information that will be required for small, medium, large and exceptional grants awarded by the Council:

Monitoring information	Small	Medium	Large and Exceptional
Confirmation of spend	√	√	√
An itemised list of purchases	√	√	√
Receipts/Invoices evidencing spend	√	√	√
Measurable activities	√	√	√
Main community benefits and the difference it has made	√	√	√
Photos or videos	√	√	√
Outputs and Key Performance Indicators (KPIs)		√	√
Indication of how outcomes have been met		√	√
Case studies and resident/user feedback			√
Equality and diversity information			√
Sustainability			√
Lessons learnt			√
Examples of publicity and social media			√

7. Grant funding and payments

Upon approval of an award every grant recipient will be contacted by the Council about the success of their application. This will also provide the opportunity to outline next steps in relation to payment and information required to progress. As a minimum all grants awarded will follow our Corporate conditions of Grants and/or Corporate Service Level Agreements signed by the applicant and the Council will require submission and confirmation of the applicant's bank details with at least two signatories on the mandate.

Payment of grants will be made by BACs directly into a bank account once relevant information has been returned. At the end of the project, recipients will be asked to complete a simple monitoring form and therefore will be expected to provide evidence on how the grant has been spent.

Conditional payments
Applicants may also wish to get approval for support to be used as, or to underwrite, 'match funding' for a project. Successful match funded project bids

should understand approval as an intended commitment 'in principle'. If match funding is still to be sought, the Council will not release funds until all monies are in place.

Conditional payments usually fall under one the following examples (please note this list is not necessarily exhaustive):

- **Match funding** - The Council will support applications which either require match funding or make up the necessary proportion of match funding for another grant fund. Funding will not be released by the Council until proof of match funding is submitted.
- **Permission** – Applicants may require relevant permissions to proceed with a project before it can commence. This could be permission of use or planning permission for example. Funding will not be released by the Council until proof of permission is submitted.
- **Start-ups** – Funding may be used to incept a group, organisation, enterprise or charity. Funding will not be released by the Council until proof of a bank account and formal constitution is submitted. This may include contacting the local CVS to ensure that the organisational model is sound and appropriate.

Any proof required in order for funding to be released would need to be attained within three months of a successful application.

Milestones
There may be scenarios which mean it is necessary for the Council to spread any grant payments over a specified time period, or on the project reaching specified milestones. For large awards, it may be likely that payments are made across the life of the project, rather that all up-front at the start. These payments would be made when certain outcomes have been achieved.

The conditions by which recipients can receive the payments, the value of the payments and when they can be expected will be outlined in the grant agreement. A report may have to be submitted to the Council in order to release further funds.

8. Deadlines

Type	Schedule	Deadline	Notification of outcome
Small	These grants can be awarded at any time	Open process	Within 3 weeks of application
Medium	These grants are awarded every three months	30 April 31 July 31 October 31 January	Within 4 weeks of deadline
Large and Exceptional	These grants are awarded every six months	30 April 31 October	Within 6 weeks of deadline

It takes time to process, assess and make decisions on applications as well as time to set-up organisations on financial systems to enable grant payments to be paid.

Applicants must consider how long applications may take to be approved, where there are assessment rounds, and be realistic in their timeframes for delivery. For example, if grant funding is being sought for a time critical project, on a specific holiday for example, then applications would need to be submitted for the application round preceding that holiday.

9. Submitting an application

Prospective applicants should submit their bid online, on the Derbyshire County Council website, through the [TBC].

All applicants will utilise a common application form, indicating which priorities they seeking to meet and the whether they are applying for a small, medium or large grant.

Policy and Research, January 2022

Derbyshire County Council Funding Framework 2021-2025

1. **Introduction**

2. **The Funding Framework**

3. **Capital and Revenue Funding**

4. **Sustainability**

5. **Exit plans**

6. **Small Grants**

7. **Medium Grants**

8. **Large Grants**

9. **Exceptional Grants**

1. Introduction

This Derbyshire Grant Funding Framework provides a guide and structure to the Council's grants processes and procedures for all prospective grant applicants.

2. Grant Funding Framework

The Grant Funding Framework sets out all you need to know about applying for grant funding at the Council, the evidence and supporting documents which are needed, alongside the criteria you need to meet to be successful. It also explains the difference between Capital and Revenue Funding and the information you will need to provide to support your application.

The Framework sets out the following requirements which will be dependent on the type of grant and amount of funding you are applying for:

- Whether you need to secure match funding as part of your application
- What documents you need to submit as evidence in your application
- How your application will be assessed
- The decision-making process for making awards
- When you will be notified if you have been successful

Detailed information by value of award can be found in the Framework as follows:

- **Small grants up to £1,000**   See Page 7
- **Medium grants between £1,001 to £20,000**   See Page 8
- **Large grants between £20,001 to £50,000**   See Page 10
- **Exceptional grants above £50,001**   See Page 12

3. Capital and Revenue Funding

The Council funds both capital and revenue projects and mixed programmes which require a combination of both. There is a general expectation that projects requiring capital funding, will have a degree of match funding.

An explanation about what constitutes capital and revenue costs can be found below.

Capital Funding

Capital funding can be used to purchase assets, either new or the significant refurbishment of existing assets. These are expected to have "wider community benefit" and to have an expected lifespan of at least 5 years.

The Council would only consider expenditure as 'capital' for any cost above £5,000. Any costs which are below this would be considered as revenue funding.

Specific examples of uses for capital funding are shown below:

- Refurbish or renovate (including fixtures and fittings) buildings or land
- Improve assets
- Purchase of fixed assets
- Purchase of machinery
- Purchase fixed furnishing, furniture and equipment
- Purchase of vehicles
- Ground Works
- Purchase of IT equipment above £5,000

Evidence for expected capital costs
If your project includes, in part or whole, capital funding, as part of your application you will be required to submit the following:

- Itemised spend with detailed costs of capital purchases
- Three detailed quotes for the work from suitability qualified contractors and suppliers
- Proof of ownership or lease hold (minimum 10 years)
- Copies of relevant documents as appropriate:
  o Designs
  o Planning approvals
  o Building regulations
  o Listed building consent
  o Conservation area information
  o Tree protection orders
  o Any other necessary approvals
- Evidence of match funding - Showing local fundraising and contributions from other funders. Match funding is not applicable in circumstances where the County Council has a statutory duty to provide the service.

If the funding is above £20,001 you will need to submit a business plan which includes an overview of the project, the need or market for your project, budget plan and sustainability. Guidance to developing a business plan is available to support you through this process.

Revenue Funding
Revenue funding can be used where there is no lasting asset and can make payments towards activities or for certain running costs of an organisation.

Revenue costs can be overheads or direct project costs. These include items such as stationery, rent, heat and lighting, phone bills and materials. Specific examples of uses for revenue funding are as follows:

- Repairs and maintenance
- Rent, utilities and insurance
- Administration expenses
- Stationery
- Employing tutors and other salaries
- Coaching fees
- Publicity and recruitment
- Training
- Expenses
- Moveable equipment

Evidence for expected revenue costs
If you are requesting a grant for revenue funding you will be expected to provide a budget breakdown itemising each item as in the following example.

Example:

Item	£'s
Marlborough two berth tent	450
3 ten litre water carriers @ £15 each	45
Gas camping cooker	55
Camping crockery for 15 people @ £3 each	45
Total	**595**

4. Project sustainability

The Council will grant fund organisations in a fair and responsible way. This is to ensure funding is equitable and diverse and enables communities to go from strength to strength. This is about being responsible for the way supported activity, projects and programmes are funded.

When investing in communities, the Council wants to leave an organisation or a programme in a healthier position than before and not to create harm when funding ceases.

Grants should not be considered as an ongoing funding stream beyond the agreed period. Depending on the amount of funding your organisation has received, a financial risk assessment and exit plan may be required in advance of the grant being awarded.

5. Exit Plans

For projects which receive grant funding above £1,001, understanding when and how grant funding will cease is a significant part of any grant arrangement going forward.

An exit plan is agreed plan setting out what will happen to a project or new organisation once its initial funding ends. It can be in the form of a document, illustrating how grant recipients intend to maintain or wind-down their funded activities in the future for example by:

- Identifying new sources of funding
- Diversifying with other funders across the public sector
- Contracting with the Council or other public sector funders
- Securing income through chargeable services
- Scaling back a project or closing it altogether.

Any, or a combination of these approaches may be used where appropriate.

6. Small Grants (up to £1,000)

What the fund can support:	There is no expectation of match funding for small grants
Submission documents:	An online or hard copy Application Form

Assessment:

The following criteria will be used, as a minimum, to assess your bid.

Criteria	**Evidence**
1 Clear evidence of unmet need	• Explanation of how the project has been identified
2 Meets the Councils priorities and strategic outcomes	• Outlines which priorities are being met – please refer to the prospectus
3 Provides value for money	• Appropriate and fair costings
4 Has lasting impact and sustainability	• Directly impacts Derbyshire residents • Has a positive impact on the community

Exit plan:	No. However, grants should not be considered an ongoing funding stream beyond any agreed period.

Decision Making:	**Step 1**	Officers will review applications for completeness and eligibility, so applicants should answer every question relevant to the size of grant applied for.
	Step 2	After an initial assessment, applications will be reviewed by officers who will recommend applications for determination by the appropriate delegated officer
	Step 3	Successful applications will be reported to the relevant DCC Cabinet Member on a regular basis

Notification:	Within 2 weeks of application

7. Medium Grants (£1,001 – £20,000)

What the fund can support:	100% Capital -	Requires at least 10% match funding for funding above £5,000
	100% Revenue -	Requires no match funding

For medium awards requesting Capital funding this scheme is conditional upon match funding which should as a minimum be 10% of total Capital costs.

Organisations can use fundraising towards the projects match fund or have secured funding from other sources.

For example
£25,000 100% capital the Council would require £2,500 match funding.

£25,000 with £15,000 capital and £10,000 revenue then the Council would require £1,500 match funding.

Submission documents:	An approved governing document that sets out how your organisation is run e.g. your constitution
	An Application form
	At least one letter of support from users/potential users of the facility
	Your previous year's accounts if you are a new organisation and cannot provide the previous year's accounts, you must send us your treasurer's signed and dated estimates of your budgeted income and spending for the first year of the project
	Budget breakdown with costs, including on-going running costs and the complete project costs.
	If your project has capital funding, please submit the information listed in the Capital Funding section above on page 2. Match funding should be evidenced by a letter of intention or offer letter.

Assessment
The following criteria will be used, as a minimum, to assess your bid.

Criteria	**Evidence**
1 Clear evidence of unmet need	• Explanation of how the project has been identified • Evidence is used to demonstrate the needs of the area

		•	Consideration has been given to local people in its design (where appropriate)
2	Meets the Councils priorities and strategic outcomes	•	Meets at least two strategic outcomes
3	Provides value for money	•	Appropriate and fair costings
		•	Makes the best use of resources
4	Has lasting impact and sustainability	•	Directly impacts Derbyshire residents
		•	Has a positive impact on the community
		•	Likely to be successful

Exit plan: Only if funding award is over 25% of an organisation's annual income. Grants should not be considered an ongoing funding stream beyond the agreed period

Decision Making:

Step 1	Officers will review applications for completeness and eligibility, so applicants should answer every question and provide the additional documentation as listed above.
Step 2	After an initial review of both the application and supporting documentation and clarification exercise if necessary, officers will score and rank applications.
Step 3	A panel of officers from DCC and partners where appropriate will meet to prioritise applications and make final recommendations for determination by the appropriate delegated officer.
Step 4	Successful applications will be reported to the relevant DCC Cabinet Member on a regular basis.

Notification: Within 4 weeks of application

8. Large Grants (£20,001 - £50,000)

Awards:	100% Capital -	Requires at least 20% match funding
	100% Revenue -	Requires no match funding

For large awards requesting Capital funding this scheme is conditional upon match funding which should as a minimum be 20% of total Capital costs.

Organisations can use fundraising towards the projects match fund or have secured funding from other sources.

<u>For example</u>
£25,000 100% capital the Council would require £5,000 match funding.

£25,000 with £15,000 capital and £10,000 revenue would require £3,000 match funding (20% of £15,000)

Submission documents:	An approved governing document that sets out how your organisation is run e.g. your constitution
	An Application Form
	At least one letter of support from users/potential users of the facility
	Your previous years accounts if you are a new organisation and cannot provide the previous year's accounts, you must send us your treasurer's signed and dated estimates of your budgeted income and spending for the first year of the project
	Budget breakdown with costs, including on-going running costs and the complete project costs.
	If your project has capital funding, please submit the information listed in the Capital Funding section above on page 2. Match funding should be evidenced by a letter of intention or offer letter.

Assessment:
The following criteria will be used, as a minimum to assess your bid.

Criteria	Evidence
1 Clear evidence of unmet need	• Sound case put forward that the project fulfils a need in an area • Evidence is used to demonstrate the needs of the area

		• Local people have been engaged in its design (where appropriate)
2	Meets the Councils priorities and strategic outcomes	• Adds value to the work of the Council • Meets at least three strategic priorities
3	Provides value for money	• Appropriate and fair costings • Makes the best use of resources • Clear link made between the costs and the outcomes
4	Has lasting impact and sustainability	• Directly impacts Derbyshire residents • Highly likely to be successful • Likely to have significant impact

Exit plan: Yes, an exit plan must be agreed prior to successful applicants being awarded funding. Grants should not be considered an ongoing funding stream beyond any agreed period.

Decision Making:

Step 1	Officers will review applications for completeness and eligibility, so applicants should answer every question and provide the additional documentation as listed above.
Step 2	After an initial review of both the application and supporting documentation and clarification exercise if necessary, officers will score and rank applications.
Step 3	A panel of officers from DCC and partners where appropriate will meet to prioritise applications and make final recommendations for determination by the appropriate delegated officer
Step 4	Successful applications will be reported to the relevant DCC Cabinet Member on a regular basis.

Notification: Within 6 weeks of application

9. Exceptional Grants (above £50,001)

Significant grant awards can support organisations to deliver exceptional community projects. With finite funding however these are will not be regular or numerous and, depending on the total value, will require significant planning, local support and alignment to Council priorities to be successful.

Awards:	100% Capital:	Requires at least 25% match funding
	100% Revenue:	Requires no match funding
	For exceptional awards requesting capital funding this scheme is conditional upon match funding which should as a minimum be 25% of total project costs.	
	Organisations can use fundraising towards the projects match fund or have secured funding from other sources.	
	<u>For example</u> £50,000 100% Capital funding would require £12,500 match funding.	
	£50,000 with £30,000 Capital and £20,000 Revenue would require £7,500 match funding (25% of £30,000)	

Submission documents:	A detailed business-case
	An approved governing document that sets out how your organisation is run e.g. your constitution
	An Application Form
	At least one letter of support from users/potential users of the facility
	Your previous three years' accounts if you are a new organisation and cannot provide the previous year's accounts, you must send us your treasurer's signed and dated estimates of your budgeted income and spending for the first year of the project
	Budget breakdown with costs, including on-going running costs and the complete project costs.
	If your project has capital funding, please submit the information listed in the Capital Funding section above on page 2. Match funding should be evidenced by a letter of intention or offer letter.

Assessment:
The following criteria will be used, as a minimum to assess your bid

Criteria		Evidence
1	Clear evidence of unmet need	• Excellent case put forward that the project fulfils multiple needs in an area • Statistical evidence is provided in the identification of need • Local people have been engaged in its design (where appropriate)
2	Meets the Councils priorities and strategic outcomes	• Adds value to the work of the Council • Meets at least three strategic priorities
3	Provides value for money	• Appropriate and fair costings • Makes the best use of resources • Clear link made between the costs and the outcomes • Would be more costly for alternative provision to meet the identified need
4	Has lasting impact and sustainability	• Directly impacts Derbyshire residents • Highly likely to be successful • Likely to have significant impact • Aims to be sustainable and carry on after the grant has been spent

Exit plan: Yes, an exit plan must be agreed prior to successful applications being awarded funding. Grants should not be considered an ongoing funding stream beyond the agreed period

Decision Making:

Step 1 Officers will review applications for completeness and eligibility, so applicants should answer every question and provide the additional documentation as listed above.

Step 2 After an initial review of both the application and supporting documentation and clarification exercise if necessary, officers will score and rank applications.

Step 3 Applications and business cases will be considered by the DCC Grants Board and will make final recommendations for determination by the appropriate delegated officer

Step 4 Successful applications will be to the relevant DCC Cabinet Member on a regular basis. Any single award over £100,000 will be reported to Cabinet.

Notification: Within 6 weeks of application