

**POLICY & RESOURCES CABINET BOARD**  
**JOINT REPORT OF**  
**THE DIRECTOR OF FINANCE & CORPORATE SERVICES**  
**&**  
**THE HEAD OF CORPORATE STRATEGY & DEMOCRATIC SERVICES**

**9<sup>TH</sup> APRIL 2015**

**SECTION A - MATTER FOR DECISION**

**WARDS AFFECTED - ALL**

**REVIEW OF POLICY CONCERNING GRANTS**

**Purposed of Report:**

1. To seek members approval to consult on a revised Scheme (and associated documentation) which will improve the value for money and governance arrangements for third sector funding.

**Background:**

During 2013/2014, as part of the Forward Financial Plan, a review of funding to third sector organisations was undertaken. The final recommendations from the Steering Group set up by Policy & Resources Cabinet Board to oversee the review were approved in December 2013.

In addition to identifying where the savings could be allocated, the Steering Group made a number of recommendations aimed at further improving the value for money and governance arrangements for third sector funding. Those recommendations (see Appendix 1) were approved by the Policy & Resources Cabinet Board in December 2013.

Initially, it was proposed the work to implement these recommendations would be completed by the end of March 2014 to inform grant allocations in 2015/2016. However, due to the extensive budget consultation activities undertaken during the autumn and to avoid confusion with the savings

proposals identified as part of that process a revised timetable was agreed by Policy & Resources Cabinet Board on 16<sup>th</sup> October 2014. This revised timetable requires the work to be completed by end of July 2015 to inform grant allocations in 2016/2017.

### **Implementation of Recommendations:**

An internal officer Implementation Steering Group, chaired by the Director of Finance & Corporate Services, has been established to take forward a number of the recommendations listed in Appendix 1 (Recommendation no's 2, 3, 4, 5, and 6). Work to implement recommendation no. 12 ("benefits in kind") will commence shortly with input from Officers within the Estates section of the Environment Directorate.

The scope of the work covers base budget grants and a list of those organisations who currently receive this funding is attached at Appendix 2.

The Implementation Steering Group is overseeing the development of the following documents:

- 1. Policy** – to contain policy objectives, accountabilities and decision making arrangements (*this document is currently being drafted and will be presented to Policy & resources Cabinet Board on 23<sup>rd</sup> July 2015*)
- 2. Scheme** – setting out the principles that grant funding will be based upon
- 3. Standard application forms and guidance** – to ensure openness, transparency and equity
- 4. Standard Agreements** – to ensure consistency
- 5. Standard Monitoring Forms**

Representatives of the Voluntary Sector Liaison Committee have been involved in developing the draft Scheme and the associated documentation and a communications and engagement plan was developed at the outset to ensure the 3rd Sector has opportunity to input into this process before the final documents are approved at the end of July (Appendix 3).

## Draft Scheme:

The draft Scheme is attached at Appendix 4 which is aligned with the Welsh Government's 3<sup>rd</sup> Sector Scheme. The aims of the Scheme are to:

- Make the grant funding process clear, transparent and equitable;
- Ensure the administrative arrangements that support grant funding are efficient and effective; and
- Foster genuine partnership working between the Council and the 3<sup>rd</sup> Sector to promote the wellbeing of local people and communities

The draft Scheme contains 17 key principles that will govern the Council's approach to grant funding the 3<sup>rd</sup> Sector which will ensure we have a more robust system around the provision of grants to the 3<sup>rd</sup> Sector and will able us to clearly identify where the Council's money is going and what we are receiving in return e.g.

- Funding aligned to the Council's priorities
- Decisions on funding set within the Council's budget and corporate planning timetable
- Two-way effective dialogue with the 3<sup>rd</sup> Sector
- Outcomes to be clearly demonstrated
- Suitable / appropriate performance management to obtain assurances money is being used for the relevant purpose

## Next Key Steps:

Milestone	Due Date
<ul style="list-style-type: none"><li>• 12 week formal consultation period on draft Scheme and associated documentation</li></ul>	14 <sup>th</sup> April – 7 <sup>th</sup> July 2015
<ul style="list-style-type: none"><li>• Policy and Scheme to be presented for approval</li></ul>	23 <sup>rd</sup> July 2015 – Policy & Resources Cabinet Board (Special)
<ul style="list-style-type: none"><li>• Those organisations currently receiving funding to be</li></ul>	Summer – 30 <sup>th</sup>

invited to re-apply for funding for 2016/2017 using the approved Scheme and procedures (transition year only)	September 2015
<ul style="list-style-type: none"> <li>Organisations will be informed whether or not they have been successful</li> </ul>	December 31 <sup>st</sup> 2015

### **Equality Impact Assessment**

A Screening Assessment has been undertaken to assist the Council in discharging its Public Sector Equality Duty under the Equality Act 2010. After completing the assessment it has been determined that this Scheme does require an Equality Impact Assessment (EIA). The EIA is currently being developed and will be informed by the outcomes of the public consultation exercise. The final equality impact assessment will accompany the report to Policy & Resources Cabinet Board on 23<sup>rd</sup> July 2015.

### **Recommendation:**

For Members to authorise the Director of Finance and Corporate Services to initiate formal public consultation on the draft Scheme contained in Appendix 4 for a period of 12 weeks commencing on 14<sup>th</sup> April and ending on 7<sup>th</sup> July 2015.

### **Reasons for the Proposed Decision:**

- 1) To implement recommendations (2,3,4,5 and 6) approved by the Policy & Resources Cabinet Board on 13th December 2013 following the review of funding to third sector organisations.
- 2) To enable interested parties to comment upon the proposals prior to the Cabinet Board taking final decisions on the approach to be taken to grant funding the 3<sup>rd</sup> sector from 2016/2017 onwards.

**Appendices:**

Appendix 1 – Recommendations from review of funding to 3<sup>rd</sup> Sector to improve value for money and governance arrangements

Appendix 2 – Funding to 3<sup>rd</sup> Sector organisations - 2015/2016

Appendix 3 – Communications and Engagement Plan

Appendix 4 – Draft Scheme

**Officer Reporting:**

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## **COMPLIANCE STATEMENT**

### **REVIEW OF POLICY CONCERNING GRANTS**

#### **(a) Implementation of Decision**

The decision is proposed for implementation following the three day call in period

#### **(b) Sustainability Appraisal**

Economic Prosperity	-	Positive
Education & Lifelong Learning	-	Positive
Better Health & Wellbeing	-	Positive
Environment & Transport	-	Positive
Crime & Disorder	-	Positive

#### **Other Impacts**

Welsh Language	-	Positive
Sustainable Development	-	Neutral
Equalities	-	Positive
Social Inclusion	-	Positive

#### **(c) Consultation**

Informed consultation has been undertaken with representatives of the 3<sup>rd</sup> sector from the outset of the review and there will now follow a 12 week formal public consultation period with this item.

## Appendix 1

1. No change to the Discretionary Rate Relief Scheme affecting third sector organisations and is protected from cuts in 2014/2015.
2. The Council considers adopting a corporate commissioning framework.
3. The Council gives consideration to issuing its officers with clear guidance as to when the procurement framework should be used and when a grant making agreement should be used and these arrangements are also clearly communicated to the third sector.
4. The Council considers replacing its existing grant making policy with one that differentiates between strategic partners and other grant recipients.
5. The Council brings together its small grant funding pots into one general pot with the criteria for awarding the grant to be established annually by the Council and communicated to the third sector (overall pot is to be reduced by 5.1% in 2014/2015).
6. The Council provides clearer guidance in its contracts and grant agreements to ensure that the costs supported by funding are clearly accounted for and the risk of double funding is minimised. This should include provision for 3<sup>rd</sup> sector organisations to be required to provide details of any other public funding that it receives additional to that subject of any individual agreement with the Council.
7. The Director of CVS gives consideration as to how understanding amongst third sector organisations of Charity Commission guidelines on reserve balances might be improved.
8. The Council should consider initiating a review of benefits advice provision, jobs search support and transport services provided by the third sector with a view to ensuring that services are well targeted and the

arrangements offer the best use of available funding across the county borough.

- 9.** The Council proposes to the Local Service Board that more integrated planning and working be developed between the third sector and local public sector organisations.
- 10.** Funding of “facing the challenge” service to be reviewed by Children and Young People Services re: NHS funded component of service.
- 11.** Payments to the FAW and WRU not to be cut.
- 12.** The Council clarifies its policy on the provision of “benefits in kind” so as to ensure there is value for money, equity and transparency in the provision of such “benefits in kind”.



## Appendix 2

Directorate	Type of Funding	Source of Funding	Organisation	Proposed Payment to Organisations 2015/16
ELLL	Core Funding	NPT Funded	Glyncorrwg Ponds	8,767
ELLL	Core Funding	NPT Funded	Glynneath Training Centre	48,497
ELLL	Core Funding	NPT Funded	Canolfan Maerdy	18,682
ELLL	Core Funding	NPT Funded	DOVE Workshops	35,335
ELLL	Core Funding	NPT Funded	Ystalyfera Development Trust	15,668
ELLL	Core Funding	NPT Funded	Neuadd Cwmllynfell	27,000
ENVT	Core Funding	NPT Funded	DANSA Transport	33,013
ENVT	Core Funding	NPT Funded	NPT Shop Mobility	37,150
FCS	Core Funding	NPT Funded	Citizens Advice Bureau	82,680
FCS	Core Funding	NPT Funded	NPT CVS - Core Funding Contribution	45,494
FCS	Core Funding	NPT Funded	Swansea Bay Racial Equality Council	15,900
SSHH	Core Funding	NPT Funded	Age Concern Neath Port Talbot	21,084
SSHH	Core Funding	NPT Funded	Care & Repair NPT Ltd	4,930
SSHH	Core Funding	NPT Funded	Cruse	4,640
SSHH	Core Funding	NPT Funded	Epilepsy Support	1,470
SSHH	Core Funding	NPT Funded	NPT CVS - Volunteering Project	12,420
SSHH	Core Funding	NPT Funded	NPT CVS - Working with volunteers	31,270
SSHH	Core Funding	NPT Funded	Port Talbot Stroke Group	460
SSHH	Core Funding	NPT Funded	Stroke Association	4,340
SSHH	Core Funding	NPT Funded	Vision Wales(was Wales Council for Blind)	1,930
ENVT	Core Funding	NPT Funded	Unallocated - 2015	34,692
				<b>485,422</b>
ELLL	Grant	NPT Funded	Community Safety Grant	12,000
ELLL	Grant	NPT Funded	Miscellaneous	3,515
ELLL	Grant	NPT Funded	Collaborative Communities	6,125
FCS	Grant	NPT Funded	One-off grants	3,850
				<b>25,490</b>

## Appendix 3

### Review of Policy Concerning Grants to the Third Sector – Implementation

#### Communications & Engagement Plan (v 270315)

Phase 1 – January – July 2015 – Development						
	Timing	What	Key Messages	Tool / Channel	Audience	Status
1.	14 <sup>th</sup> January	Inform CVS, reps of VSLC the Council has commenced work on the implementation of the recommendations from the initial review	<ul style="list-style-type: none"> <li>• Reminder of recommendations from initial review</li> <li>• Update on work undertaken to date</li> <li>• Improving the way the Council funds the 3<sup>rd</sup> sector (fairness, transparency, accountable)</li> <li>• Full engagement with CVS and the 3<sup>rd</sup> Sector during development and implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting with VSLC reps - Meeting No 1</li> <li>• Facilitated discussion</li> </ul>	<ul style="list-style-type: none"> <li>• CVS</li> <li>• Reps from VSLC</li> </ul>	Completed
2.	January / February	Learning from other local authorities	<ul style="list-style-type: none"> <li>• Information sharing</li> </ul>	Research (desk top)	<ul style="list-style-type: none"> <li>• Local authorities</li> </ul>	Ongoing
3.	17 <sup>th</sup> February	Draft Scheme and Communications and	<ul style="list-style-type: none"> <li>• Improving the way the Council funds the 3<sup>rd</sup> sector</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting with VSLC reps Meeting No 2</li> </ul>	<ul style="list-style-type: none"> <li>• CVS</li> <li>• Reps from VSLC</li> </ul>	Completed

		Engagement Plan	(fairness, transparency, accountable) <ul style="list-style-type: none"> <li>• Full engagement with CVS and the 3<sup>rd</sup> Sector during development and implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitated discussion</li> </ul>		
4.	17 <sup>th</sup> March	<ul style="list-style-type: none"> <li>• Draft application forms / agreement / comms and engagement plan</li> <li>• Discussion re activities to be planned during consultation period</li> </ul>	<ul style="list-style-type: none"> <li>• Improving the way the Council funds the 3<sup>rd</sup> sector (fairness, transparency, accountable)</li> <li>• Full engagement with CVS and the 3<sup>rd</sup> Sector during development and implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting with VSLC reps Meeting No 3</li> <li>• Facilitated discussion</li> </ul>	<ul style="list-style-type: none"> <li>• CVS</li> <li>• Reps from VSLC</li> </ul>	Completed
5.	9 <sup>th</sup> April Policy and Resources Scrutiny Committee and Cabinet Board	Seeking authority to consult on draft scheme and associated documents	<ul style="list-style-type: none"> <li>• Improving the way the Council funds the 3<sup>rd</sup> sector (fairness, transparency, accountable)</li> </ul>	<ul style="list-style-type: none"> <li>• Report – published on website</li> </ul>	<ul style="list-style-type: none"> <li>• Members</li> </ul>	To be completed
6.	13 <sup>th</sup> April	Email raising awareness of the start of the consultation period	<ul style="list-style-type: none"> <li>• Improving the way the Council funds the 3<sup>rd</sup> sector (fairness, transparency, accountable)</li> </ul>	<ul style="list-style-type: none"> <li>• Email to all those currently in receipt of grant funding</li> </ul>	<ul style="list-style-type: none"> <li>• 3<sup>rd</sup> sector organisations</li> </ul>	To be completed
7.	14 <sup>th</sup> April – 7 <sup>th</sup> July	Formal consultation period	<ul style="list-style-type: none"> <li>• New scheme and procedures</li> <li>• Opportunity to have you say</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation documents</li> </ul>	<ul style="list-style-type: none"> <li>• CVS</li> <li>• 3<sup>rd</sup> sector</li> </ul>	To be completed

	(12 week consultation)			<p>published on NPTCBC web site</p> <ul style="list-style-type: none"> <li>Information available on CVS information systems</li> <li>signposting to consultation documents</li> <li>Face to face meetings (if required) with reps from Sector</li> </ul>	<p>organisations</p> <ul style="list-style-type: none"> <li>Officers</li> <li>Public</li> </ul>	
8.	30 <sup>th</sup> April (NPT Homes – 2.30pm)	Monitoring forms	<ul style="list-style-type: none"> <li>Improving the way the Council funds the 3rd sector (fairness, transparency, accountable)</li> </ul>	<ul style="list-style-type: none"> <li>Meeting with VSLC rep Meeting No 4</li> <li>Facilitated discussion</li> </ul>	<ul style="list-style-type: none"> <li>CVS</li> <li>Reps from VSLC</li> </ul>	To be completed
9.	8 <sup>th</sup> July (CVS – 2.30pm)	Review of responses to consultation	<ul style="list-style-type: none"> <li>Any changes required to draft documentation following consultation</li> </ul>	<ul style="list-style-type: none"> <li>Meeting with VSLC rep Meeting No 5</li> <li>Facilitated discussion</li> </ul>	<ul style="list-style-type: none"> <li>CVS</li> <li>Reps from VSLC</li> </ul>	To be completed
10.	23 <sup>rd</sup> July Policy and Resources Scrutiny Committee and Cabinet Board	Approval of final scheme and associated documents	<ul style="list-style-type: none"> <li>Improving the way the Council funds the 3rd sector (fairness, transparency, accountable)</li> </ul>	<ul style="list-style-type: none"> <li>Report – published on website</li> </ul>	<ul style="list-style-type: none"> <li>Members</li> </ul>	To be completed

<b>Phase 2 – July – December 2015 – Implementation</b> <i>(Detail to be further develop)</i>						
11.	Summer – 30 <sup>th</sup> September	Applications for funding for 16/17 received via new scheme				
12.	1 <sup>st</sup> October – middle of December	Evaluation of applications in order to provide 3 months' notice				

## DRAFT

### Neath Port Talbot Third Sector Grant Funding Scheme

#### Introduction

During 2013, the Council undertook a review of existing grants to third sector and community sector organisations in Neath Port Talbot. As well as making recommendations as to where funding could be reduced in order to achieve Council savings targets, the review identified a number of recommendations to improve the way in which grants are administered. These were approved by the Council's Policy & Resources Scrutiny Committee on 13<sup>th</sup> December 2014.

In January 2014, the Welsh Government published their revised Third Sector Scheme. The Welsh Government Scheme underpins the relationship between Welsh Government and the Third Sector in Wales and discharges duties under section 74<sup>1</sup> of the Government of Wales Act 2006.

This Neath Port Talbot Scheme has been developed to take forward the recommendations in the 2013 Council review. It has been developed using the principles set out in the Welsh Government's Scheme reflecting Welsh Government's expectation that councils will embrace good practice in their relationships with the Third Sector.

#### Aims

Neath Port Council has had a long and productive relationship with the Third Sector. The Council has grant funded Third Sector organisations to support our communities in a wide range of ways. The Council recognises and values the contribution of the many volunteers and third sector organisations that play an important role in supporting the wellbeing of local people and communities.

<sup>1</sup> In this Section, Welsh Ministers are required to make or review a voluntary sector scheme which sets out how they propose to promote the interests of relevant voluntary organisations'

However, times have and continue to change. The severe and enduring cuts to local authority budgets mean we must target available funds in a manner that supports the Council's priorities. Indications are that austerity measures will continue at least into the medium term. Grant assistance arrangements must reflect this.

This Scheme aims to:

- Make the grant funding process clear, transparent and equitable;
- Ensure the administrative arrangements that support grant funding efficient and effective; and
- Foster genuine partnership working between the Council and the Third Sector to promote the wellbeing of local people and communities.

## **Scope**

This Scheme covers:

- Grant funding provided from the Council's own revenue resources (*add reference to legislation – particular powers*);
- Grants of benefits "in kind" eg rent-free periods granted to organisations in the Council's property portfolio; and

Grants distributed from Welsh Government directly to the third sector by way of specific grant are governed by the Welsh Government Third Sector Scheme, the principles of which are reflected in this Scheme.

This scheme does not cover grants provided to the Council by other parties as the specific conditions of those grants would need to be applied.

## **Definition of the Third Sector:**

The Council has adapted the definition provided in Section 74 of the Government of Wales Act for the purpose of this Scheme:

"...bodies other than local authorities (or other public bodies) whose activities:

- are carried on otherwise than for profit; and
- directly or indirectly benefit the whole area or any part of Neath Port Talbot

The Council acknowledges that this definition covers a very diverse range of organisations that share a set of values and characteristics which include:

- Independent, non-governmental bodies;
- Bodies established voluntarily by people who choose to organise themselves;
- Bodies which are “value driven” and motivated by social, cultural or environmental objectives, rather than simply to make a profit; and
- Bodies committed to reinvesting their surpluses to further their social aims and for the benefit of people and communities.

Third Sector organisations include community associations, self-help groups, voluntary organisations, charities, faith-based organisations, social enterprises, community businesses, housing associations, development trusts, co-operatives and mutual organisations.

### **Grant Funding – Commissioning Arrangements**

The Council wishes to adopt an outcomes-based approach to the way in which it determines its grant funding arrangements. It will be the intended results of activity to be grant funded, not the activity itself that will be the key consideration in determining whether the Council will provide grant assistance, subject to the Council being provided with sufficient assurance on associated governance arrangements.

Grants can provide financial support to third sector organisations to enable them to undertake activities the Council wish to support. They may be aimed at assisting with the core costs of running and developing an organisation or more specifically to help it carry out a particular project or service. Generally, the Council will consider awarding a grant where organisations undertake activities that support the Council’s policies and priorities. Where the Council wishes to obtain goods or services for direct benefit or use then the Council would expect those



arrangements to operate under the Council's procurement policies and procedures.

The Council will set out its priorities on an annual basis as part of its corporate planning cycle. Grant assistance will be administered in accordance with the principles set out in this Scheme. Grants may be awarded for up to three years

Applications for grant assistance will need to be made via a standard form that will be publicly available and published on the Council's website. Any timetable for submitting and agreeing grants will also be set out on the website. The Council will provide the contact details of officers who can offer support and advice to organisations who may be considering making a grant application. Where a funding bid is complex, organisations are encouraged to discuss their proposed bid prior to submitting an application. The Council will formalise grant assistance through a legally binding grant agreement. The agreements will contain standard grant conditions to promote consistency and fairness and to minimise administrative costs for all parties. Where the Council decides not to award grant assistance, the Council will provide written feedback to the applicant, summarising the reasons why the grant application has been refused. There will be no right of appeal against the Council's decisions.

## **Review and Monitoring**

The Leader of the Council is the portfolio holder for relationships with the Third Sector and ultimately responsible for this Scheme. The Senior Officer responsible for the Scheme is the Director of Finance and Corporate Services. This Scheme will be used by all departments of the Council. Its operation will be monitored by the Voluntary Sector Liaison Committee and reviewed no less frequently than every three years.

## Neath Port Talbot Third Sector Grant funding Scheme

### Principles

The key principles that will govern our approach to grant funding the Third Sector and what is expected from the Third Sector in return are set out in this section.

<b>Principle 1 – Supporting Council policies and priorities</b>
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**i) Demonstrate contribution to the delivery of key priorities**

Grant applications will need to demonstrate how proposals will support the delivery of the Council's policies and priorities. These are summarised in Council's Corporate Improvement Plan.

**ii) Lever in additional resources (multiplier effect)**

Applications that demonstrate how Council funding will be used to lever in additional financial resources in support of Council policies and priorities are particularly welcomed.

**iii) Sustainable organisations**

Applicants will need to demonstrate financial sustainability. The Council will wish to be satisfied that the applicant is not dependent on continuing Council funding to achieve financial sustainability.

<b>Principle 2 – Respect for the Sector's independence</b>
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The Council recognises Third Sector organisations are value driven, motivated by social, cultural or environmental objectives and committed to reinvesting their surpluses to further their social aims and for the benefit of people and communities. The Council respects the sector's independence.

The Council acknowledges and encourages the Third Sector's ability to raise funding through non-statutory routes and deliver services that complement or are additional to those provided by statutory agencies and which, in particular, operate to prevent or reduce demand on public services.

**Principle 3 – Early and constructive dialogue**

The Council is committed to early discussions with the Third Sector to support a strategic approach to delivering key priorities and to allow for better planning of services. The Council will seek to provide opportunities to discuss applications well in advance of the formal application deadline.

It is expected that in return, the Third Sector will engage constructively in this dialogue and respect the limitations on dialogue imposed by the need to ensure fairness and transparency in respect of grant funding decisions.

**Principle 4 – Timely decisions**

The Council recognises that early decision making in respect of funding can support better business and workforce planning. The Council's commitment is the notification of decisions about future funding at least three months prior to the expiry of an existing funding agreement or the start of a new agreement. Where funding has been granted for more than one year, a review will be completed 3 months before the commencement of the second or third year to confirm funding will continue. If an offer in principle has been made, this must also be confirmed three months prior to the expiry of the current funding.

### **Principle 5 – Security of funding**

In a climate of reducing resources and escalating need, security of funding is an issue felt across all sectors. The Council acknowledges that sometimes short term funding can cost more administratively and will be prepared to consider longer term funding commitments wherever possible to minimise administration costs. The Council will be prepared to provide funding for up to 3 years which will provide Third Sector organisations with the security to apply for funding from other sources and enable a longer term approach to planning and securing sustainability.

### **Principle 6 – Fair funding levels**

It is reasonable to expect that funding pressures placed upon local authorities will be reflected in the level of grant funding available to the Third Sector. Therefore, where the Council has granted funding for more than one year, the amount of grant available in each year of the agreement will vary to reflect the financial settlement the Council receives from the Welsh Government. The Council will generally seek to notify organisations of the uplift or reduction to be applied by 31<sup>st</sup> December each year.

### **Principle 7 – Value for money**

1. Tax payers' money must be used economically, efficiently and effectively. The Council aims to achieve the best possible level of outputs and outcomes of acceptable quality at the lowest cost. Third sector organisations who receive grant assistance are expected to ensure the economic, efficient and effective use of public money. Applications and associated monitoring arrangements will need to demonstrate:
  - i. The need for intervention
  - ii. The purpose to which funding will be put

- iii. The outputs and outcomes to be achieved
- iv. Other sources of funding accessed
- v. How activities will be evaluated
- vi. Financial probity and sustainability

**Principle 8 – Full Cost Recovery**

The Council acknowledges the principle of full cost recovery. The Council recognises that other funders sometimes render certain expenditures ineligible and the award of grant assistance from the Council may be sought to complete a funding package.

**Principle 9 – Commissioning Principles**

Grant arrangements will be outcomes focused linked to the Council's policies and priorities which will be summarised in the Council's Corporate Improvement Plan

**Principle 10 – Payments**

The Council will make grant payments in advance (i.e. before the grant recipient has incurred the expenditure) as it recognises that most Third sector organisations do not hold large reserves and do not have the resources available to undertake work and receive payment afterwards. The payment will be made after the commencement of the relevant financial year. The frequency and timing of payments will be set out in the grant agreement. Electronic payment is preferred to minimise administrative burdens on both the Council and Third sector organisations.

### **Principle 11 – Fair and Reasonable Treatment**

This Scheme commits the Council to consult openly and meaningfully with the Third Sector on changes to this Scheme and associated arrangements. The Council will aim to provide a minimum period of 12 weeks consultation period where changes to the Scheme and its associated arrangements are proposed. Additionally, the Council will aim to provide 12 weeks notice before changes are made to the Scheme or decisions are made which would lead to a withdrawal or significant reduction of grants.

In return, Third Sector organisations are asked to cooperate fully during this consultation / notice period and use it as an opportunity to positively contribute to the discussion with departments or policy / service areas.

The Council upholds the need for clarity in what is being funded by defining and agreeing outcomes with recipients of funding. These outcomes should be set out transparently in the funding agreement to ensure fair and reasonable treatment of organisations and shared and agreed expectations for service delivery.

### **Principle 12 – Joint approach to monitoring, evaluation and audit**

The processes of monitoring and evaluation must be consistent, proportionate and reasonable. The Council will set out the details for monitoring and evaluation in procedural guidance and in its grant agreements. The Council expects its internal audit service to have access to documents and information (including access to interview senior officers and board members) relating to monies provided by the Council. Recipients of funding agree to give assistance, information and explanation to the internal audit service or such other officers as the Council may so require as a condition of funding.

**Principle 13 – Identifying Expertise and Developing Capability to Deliver**

The Council is committed to working with the Third Sector to identify areas of expertise and to support organisations and individuals to take the lead in or contribute to the implementation of new policies. The Council welcomes applications for grant funding that build capacity and capability within the Third Sector across Neath Port Talbot to secure the sustainability of services.

**Principle 14–Diversity and Equality**

The Council recognises the diverse needs of people and communities across Neath Port Talbot and the variety of services required to meet these needs. Diversity in this context is about maintaining a range of accessible services to meet a variety of individual and collective needs; locally based and run services, as well as larger services; and different models of services to meet different needs.

The Council is required under the Equalities Act 2010 to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations amongst and between people of different protected groups.

Third Sector organisations will be expected to demonstrate in their applications how they promote both diversity and equality in the planning and delivery of their services.

**Principle 15– Innovation**

The Council is committed to working with the Third Sector to identify innovative practices that improve the delivery of public services, including where appropriate, exploring new funding models.

**Principle 16– Good Governance and Due Diligence**

The Council will apply good governance and due diligence in the way it administers this Scheme and expects Third Sector grant recipients to demonstrate good governance and due diligence both in the application process and through monitoring arrangements. The Council will seek specific assurances about governance arrangements, including the development accessed by trustees or directors during the application process and in any annual review process. If any support is required when completing the application form, please contact (to be added).

**Principle 17– Monitoring the Scheme**

The Voluntary Sector Liaison Committee will provide the mechanism for joint monitoring of this Scheme. The Council commits to reviewing this Scheme no less frequently than every 3 years.