



**POLICY AND RESOURCES SCRUTINY COMMITTEE –  
21ST APRIL 2009**

**SUBJECT: GRANTS ALLOCATION 2009/10**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

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**1. PURPOSE OF REPORT**

- 1.1 To notify Members of grant funded schemes detailed in the Local Government Settlement 2009/10, and those where there is an expectation that grant funding available in 2008/09 will continue for 2009/10. Estimates have been used where notification has not yet been confirmed.

**2. SUMMARY**

- 2.1 The report covers grant funding notified to the Authority in the Settlement for 2009/10, along with grant funding relating to capital schemes and revenue related spend where the funding is available from other funding bodies, estimates have been made where appropriate. The report excludes grant funded schemes where CCBC merely act as bankers for Partnership schemes. During the financial year further grants are often made available, these could be bid based.
- 2.2 The report is provided to aid discussions on the grant administration arrangements.

**3. LINKS TO STRATEGY**

- 3.1 The Council has a number of corporate strategies and this report deals with the use of resources in the achievement of those strategies.

**4. THE REPORT**

- 4.1 In addition to the Revenue Support Grant (RSG) and income collected from council tax payers, the Authority also receives significant levels of funding from grant funding bodies. Expenditure in respect of these grants is usually subject to an external audit and must comply with the terms and conditions of the grant. Appendix 1 gives a list of grants known at this point in time, and a brief description of the use of the grant funding.
- 4.2 Grant funding applies in the main to specific schemes and initiatives, it is often time limited. The majority of grant funded schemes are subject to external audit. Some schemes with a value less than £50k are classified as 'de minimis' and do not require an external audit. In addition a number of schemes require examination from internal audit i.e. Uniform Grant and Post 16 funding.
- 4.3 The current administration arrangements are such that each grant has an agreed set of conditions.

- 4.4 The grant funding body at year end requests information to satisfy itself that the grant monies have been spent in accordance with its terms and conditions.
- 4.5 The Auditors will assess expenditure against the terms and conditions of the grant. This assessment would normally comprise a random sample of spend, followed by an in-depth scrutiny of the sampled items. This could involve ensuring proper procurement processes have been adhered to, and/or assets purchased have been located, along with the confirmation that spend complies with the conditions of the grant. Any issues identified will be investigated, this could lead to a need to review a larger sample of expenditure. The External Auditors produce a report annually summarising any issues that have come to light during their audit of the Authority's grants.
- 4.6 There will be some instances where a new initiative is funded by a grant allocated as part of the RSG settlement. This is not a regular occurrence. In these instances normal terms and conditions relating to grant funding, including a review by external audit are not required. The funding is often transferred to the budget the following financial year. A recent example of this type of 'grant' is the Autistic Spectrum funding received in 2007/08 of £108k.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 Grant funding levels and schemes can change regularly leading to uncertainty of funding. The majority of grant funded schemes are subject to external audit, expenditure must comply with the grant terms and conditions, and/or bids. Failure to comply may result in a qualification of the grant by the External Auditors, which could result in the clawback of the grant funding.

## **6. PERSONNEL IMPLICATIONS**

- 6.1 Grant funded posts may not be sustainable in the longer term.

## **7. CONSULTATIONS**

- 7.1 Internal consultees are listed below.

## **8. RECOMMENDATIONS**

- 8.1 Members are requested to discuss and consider the report.

## **9. STATUTORY POWER**

- 9.1 Local Government Acts 1972 and 2003 and the Council's Financial Regulations.

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Appendix 1: Grant Schemes for Caerphilly CBC