

To: Gleniffer Local Partnership

On: 19 September 2023

Report by:
Chief Executive, Renfrewshire Council

TITLE:
Award Governance Arrangements

1. Summary

- 1.1 Following a discussion at the meeting of Gleniffer Local Partnership held on 25 May 2023, it was agreed to submit a paper on governance of grants by the Local Partnership to applicants.
- 1.2 The particular issue raised was the necessity of requiring applicants to provide to the Council receipts for items purchased with Local Partnership grant awards and provision for checking this spend to ensure good governance.
- 1.3 Attached at Appendix 1 is the Renfrewshire Council Conditions Of Grant. All office holders of applicants who are offered a grant award by Gleniffer Local Partnership are required to sign an undertakings form. This form states that the applicants will abide by the Conditions of Grant.
- 1.4 Paragraph 7 of the Conditions of Grant makes specific reference to the requirement that, *“all expenditure and income associated with the Grant is properly recorded and that all invoices and receipts are retained by the Grantee for inspection by the Authorised Officer, other authorised Council officers and the Council’s external auditors for the duration of the Project or at least six years whichever is the longer”*.
- 1.5 Applicants are also required to provide information on request to assure that funds have been used appropriately. Paragraph 7 states that, *“information is provided as the Council reasonably requires to show that the Grant has been used in accordance with the Conditions to achieve the Project. Invoices or receipts for all expenditure must be submitted to the Authorised Officer upon request”*.

- 1.6 Where there are concerns, Paragraph 7 states that, *“The Council and its external auditors reserve the right to conduct an audit of the Grantee’s financial records, including those relating to all other sources of income and expenditure, at any time and to discontinue and reclaim the Grant partly or completely in cases where these Conditions of Grant are not being adhered to”*.
- 1.7 As outlined in Paragraph 7, the Conditions of Grant provide the Council with sufficient powers to request information from grant recipients to evidence appropriate use of resources without the need to require all grant recipients to submit all receipts to the Council as a matter of course.

2. **Recommendation**

- 2.1 It is recommended that members of Gleniffer Local Partnership note the Conditions of Grant that Local Partnership grant recipients are required to agree to and the authority this gives the Council to assure compliance.



RENFREWSHIRE COUNCIL

CONDITIONS OF GRANT:
£1,000 OR MORE BUT LESS THAN £10,000

Any Grantee which accepts Grant funding from The Renfrewshire Council (hereinafter "the Council") must comply with these Conditions of Grant where the value of the Grant awarded is £1,000 or more, but less than £10,000.

1. Glossary & Interpretation

In these Conditions, the Glossary section contains an explanation of words used which have a special meaning, together with clauses which help interpret the Conditions.

2. General Conditions

2.1 The Grantee receiving a Grant from the Council shall have a written constitutional document which clearly defines the responsibility, accountability and liability for public funds and establishes transparent and democratic procedures for the management of the Grantee.

2.1.1 In particular, the constitutional document shall be deemed to include the following provisions, which shall be observed throughout the period of the Grant:-

- (a) where the Grantee is an unincorporated association there shall be an obligation to appoint an executive or management committee (or any other body of persons, whatever its title, which exercises the functions of an executive or management committee) being all the executive members including all office bearers (such as Chairperson, Treasurer and Secretary); where the Grantee is a company the Board of Directors shall be deemed to exercise the functions of an executive or management committee;
- (b) the Grantee shall be obliged to intimate in writing to the Council's Authorised Officer the name of the Treasurer who shall be deemed to have principal responsibility for accounting, auditing and any other legal requirements of the Grantee's finances;
- (c) a prohibition on any person who is employed by the Grantee from being a member of the executive or management committee or any other committee (whatever its title) of the Grantee which seeks to exercise executive powers;
- (d) a provision for the holding of annual general meetings and for the preparation and submission of accounts to the Authorised Officer or other nominated officer accounting for Grant funds awarded by the Council in accordance with the requirements of these Conditions. Separate accounts should be prepared for each Grant award;

- (e) a provision that cheques drawn on the Grantee's bank account may only be signed by any two of no more than four authorised signatories all of whom must be members of the executive or management committee; provided that if the Council is satisfied that the Grantee's existing or proposed procedures for signing cheques provides for adequate and appropriate safeguards, the Council may advise the Grantee that this clause shall not apply; and
- (f) a provision that the names and addresses of all members for the time being of the executive or management committee shall be given in writing to the Authorised Officer. Any changes to membership of the executive or management committee shall be given in writing to the Authorised Officer within ten working days of the resignation, retiral or appointment prompting the change.

2.1.2 In addition to the foregoing provision, the constitution of the Grantee must contain:-

- (a) a description of the functions of the executive or management committee and the powers and duties of each office bearer; and
- (b) a definition of the quorum for general meetings, executive committee meetings, management committee meetings and separately for the election of office bearers and the admission of new members to the Grantee.

2.2 The Grant is allocated to the Grantee for the purposes of carrying out the Project and for no other purpose whatsoever. It must be spent only on the purposes for which it is allocated. No part of the Grant shall be used to fund any activity or material which is party political in intention, use, or presentation or appears to be designed to affect support for a political party. Activities with a political bias and political campaigning are specifically prohibited.

2.3 The receipt of a Grant from the Council is no guarantee that further Grants will be available. Further in the event of any variation to the budget available to the Council for payment of Grant during the period of award, the Grant may be withheld, reduced or terminated.

2.4 The Council's liability will be to make payment of the Grant to the Grantee in accordance with these Conditions. All other liabilities or claims are the responsibility of the Grantee.

2.5 The Grantee shall:-

- (a) provide the Council with such information concerning the Grantee as the Council shall require. In particular the Grantee shall allow officers of the Council and the Council's external auditors access to the accounts and other financial records and data of the Grantee during the period of Grant; and

- (b) disclose to the Council immediately any material change in the financial circumstances of the Grantee including any changes to the information contained in the Grant Application Form submitted by the Grantee to the Council.
- 2.6 Any Grantee receiving a Grant from the Council should acknowledge the support of the Council in all publicity material.
- 2.7 The overall aims and practices of the Grant funded activity must be consistent with the Renfrewshire Community Plan.
- 2.8 All sums (including but not restricted to rent and rates) due by the Grantee to the Council must be paid timeously.
- 2.9 Grantees which do not comply with these Conditions of Grant will not normally be eligible to apply for Grants in future years.
- 2.10 Additional Conditions may be set by the Council at its discretion. In this event Grantees will be notified in writing.
- 2.11 In the case of Grantees covering more than one local authority area, or at the Council's sole discretion, the Council shall be entitled to relax or waive specific Conditions at any time but reserves the right to reinstate them. If Conditions are relaxed, waived or reinstated the Grantee will be notified of this in writing.
- 2.12 All funding is subject to satisfactory progress in achieving any outcomes, standards and targets specified between the Grantee and the Council.
- 2.13 The Council reserves the right to withhold, reduce or terminate the Grant or any part of the Grant if it appears that the Project or any part of it has not been undertaken in a satisfactory manner or in accordance these Conditions.
- 2.14 The Grantee shall ensure that in relation to the Project, it and anyone acting on its behalf shall comply with Law and Guidance. It will also indemnify and keep indemnified the Council (both for itself and also acting on behalf of any other funding partner as the case may be), its employees, agents and anyone acting for them against all actions, claims, demands, costs and expenses incurred by or made against the Council or any other funding partner where relevant and their respective foresaids in respect of loss, damage or personal injury (including death) which arises directly or indirectly from any advice given or anything done or omitted to be done under the Project.
- 2.15 Payment of Grant will not be made to meet shortfalls, delays or any other circumstances relating to any other source of funding.

3. Personnel Procedures

3.1 The Grantee is required to recruit, employ and manage staff and volunteers in accordance with the applicable Law and Guidance and, without prejudice to the foregoing, must ensure that it:-

- (a) recruits and manages employees and volunteers fairly and provides equal opportunity for all as a continuing feature of its management practices;
- (b) handles disciplinary matters in accordance with the applicable legislation;
- (c) creates and maintains a safe and healthy working environment;
- (d) adheres to the requirements of the Protection of Vulnerable Groups (Scotland) Act 2007 together with any amendments made to it or Guidance passed under it (the "PVG Act") for the duration of the Grant where it requires any individual to undertake "regulated work" in terms of the said PVG Act;
- (e) has employers' liability insurance in accordance with current legislation; public or third party liability insurance; and property and/or third party liability insurance for any Grant funded acquisition of property including motor vehicles; and
- (f) can evidence and exhibit to the satisfaction of the Council, on request, proof that adequate insurances have been arranged and maintained by the Grantee.

4 Arrangements for Grant Payment

4.1 All Grant payments will be made by the Council to the Grantee in accordance with the terms herein.

The period of funding will start from the date of receipt by the Supervising Department of completed 'Acceptance of Grant Offer and Conditions of Grant' form and related undertakings. These must be received no later than one month from the date of offer of Grant unless otherwise agreed in writing with the Council. For the avoidance of doubt expenditure of the Grant will not take place prior to this date without the written consent of the Council.

The Council will not be bound to pay to the Grantee and the Grantee shall have no claim against the Council in respect of any instalment of the Grant which has not been paid to the Grantee by 31 March of the appropriate Financial Year due to any Default or non compliance with these Conditions unless otherwise agreed, in advance, in writing by the Council.

4.2 All Grant payments will be authorised by the Council subject to satisfactory compliance with the bookkeeping and accounts procedures outlined herein and subject to scrutiny of receipts/invoices by the Council.

Once agreed all Grant payments will normally be made in one instalment and may be paid in advance at the Council's discretion.

- 4.3 Budget limits agreed between the Council and the Grantee for the Project(s) must be adhered to. No additional unapproved expenditure for the Project(s) should be made by the Grantee at any time.

5. Assets and Equipment

- 5.1 The Grantee shall ensure that any assets or equipment purchased with a Grant are fully and properly maintained and are used only for the purpose for which their purchase was intended. It will, at any time, if requested, make any assets or equipment purchased with a Grant available for inspection by officers of the Council and the Council's external auditors.
- 5.2 The Council reserves the right to adjust the payment of the Grant, or require repayment, in the event of equipment or facilities provided with the aid of the Grant being disposed of or appropriated to other users. Similarly, if equipment or facilities have been lost, stolen or damaged and not replaced to the same standard, the Council reserves the right to be reimbursed by the Grantee once they have obtained any insurance monies due.
- 5.3 The Grantee shall keep an inventory of all assets acquired or improved with a Grant provided by the Council and shall provide a copy of this to the Council on request. The Grantee shall be responsible for maintaining assets acquired or improved with a Grant provided by the Council and providing appropriate insurance for same.
- 5.4 Any assets acquired or improved with a Grant will not be sold or otherwise disposed of without the prior written approval of the Council (and in particular such approval may be withheld, if in the Council's opinion the disposal is not justified or the disposal would result in the assets being used for a purpose which would not otherwise attract funding from public money). In the event that money or money's worth is received on disposal of any such asset the Grantee shall repay said sum to the Council unless the Council consents to the application of the money towards an objective of the Grantee.
- 5.5 In addition to Condition 5.4, above, unless the Council agrees otherwise:-
- (a) all land and buildings;
 - (b) all moveable property with a value of £50,000 or more;

purchased with the aid of a Grant shall not be disposed of without the prior consent of the Council. The Council shall be entitled to specify the terms and conditions under which such assets shall be held by the Grantee.

5.6 The Grantee must ensure that:

- (a) moveable property with a value of less than £50,000 which has been acquired or improved with the aid of a Grant will not be sold or otherwise disposed of, or appropriated to users other than those approved by the Council and disclosed by the Grantee in the Grant Application Form before the Council has been consulted; and
- (b) any such disposal will not realise for any other person a cash benefit from public funds.

5.7 The Council or any officer authorised on its behalf, shall have a right to enter upon any land and buildings and to inspect any moveable property or books of account where the land or buildings or moveable property have been acquired with the aid of a Grant.

6. The relationship between the Council and the Grantee – Performance Monitoring

6.1 For each Grantee in receipt of a Grant the Council will appoint an Authorised Officer who shall ensure that:-

- (a) expenditure is made only on items included in the Grant Application Form or as specified by the Council and that purchases are made in a fair and open manner;
- (b) proper accounting and book-keeping arrangements are introduced and maintained by the Grantee;
- (c) the Grantee complies with the arrangements for Grant payment detailed in Condition 4;
- (d) the Grantee complies with these Conditions of Grant; and
- (e) reports on the funding and operation of the Grantee are provided to the Council as and when required.

6.2 To enable the Authorised Officer to carry out the above duties, he/she, any other officer authorised by the Council or the Council's external auditors, as required, must be allowed access to the Grantee's premises at all times. This includes access to books and records (including financial records) on request, and attendance at the Grantee's management and/or board meetings.

6.3 The Authorised Officer will be the main source of contact between the Grantee and the Council. Grantees shall request assistance or guidance and shall seek independent advice when necessary.

- 6.4 In the event that any sum of money becomes due to the Council in terms of these Conditions as a result of the negligence or dishonesty of a specific member or specific members of the executive or management committee (which, for the avoidance of doubt, will include directors of limited companies), that member or those members shall on demand pay to the Council the sum due to the Council. Prior to payment of Grant each director and member of the executive or management committee of the Grantee shall sign a legally binding document, in a form specified by the Council, accepting personal liability for payment in such circumstances.
- 6.5 If any of the circumstances described below exist, or the Council reasonably believes that any of the circumstances exist or may come to exist, then the Grant shall be repaid wholly or in such part as the Council shall determine and the Council may take whatever action it deems necessary to safeguard property purchased with a Grant including taking delivery of that property. Circumstances which may lead to such action are:-
- (a) where the Grantee commits a Default;
 - (b) where any part of the Grant or any asset(s) purchased with Grant is/are not being applied for purposes for which the Grant was allocated or where there is a change or departure from the purpose for which the Grant was awarded or any delay in using the Grant without the prior written approval of the Council;
 - (c) where the affairs of the Grantee are, in the Council's opinion, not properly managed, or where in the Council's opinion the progress on the Project is unsatisfactory;
 - (d) where any executive member, any employee of the Grantee or anyone else associated with the Grantee, has unreasonably failed to observe guidance from the Authorised Officer or any other officer of the Council;
 - (e) where records of the Grantee are not kept complete, accurate and up-to-date;
 - (f) where liabilities of the Grantee to a third party (including the payment of wages, income tax and national insurance contributions) are not being honoured;
 - (g) where the Grantee has failed to follow advice or directions given by the Authorised Officer or any other officer of the Council to provide documents or information sought by the Authorised Officer or any other officer of the Council;
 - (h) where the Grantee has an executive member, member or employee who, in the opinion of the Council, is not a fit and proper person;
 - (i) where Surplus Funds have been used without the necessary prior written approval;
 - (j) where, in the Council's opinion, the future of the Project is in jeopardy;
 - (k) where the Grantee fails to carry out the Project.

7. Book-keeping, Accounting and Audit

7.1 Grantees must ensure that:

- (a) all expenditure and income associated with the Grant is properly recorded and that all invoices and receipts are retained by the Grantee for inspection by the Authorised Officer, other authorised Council officers and the Council's external auditors for the duration of the Project or at least six years whichever is the longer. The Grantee should also take account of the need to keep records for certain periods specified by other agencies such as Her Majesty's Revenue and Customs (HMRC) and the European Commission; and
- (b) information is provided as the Council reasonably requires to show that the Grant has been used in accordance with the Conditions to achieve the Project. Invoices or receipts for all expenditure must be submitted to the Authorised Officer upon request.

7.2 Annual accounts, produced by a competent independent person, preferably a qualified accountant, must be submitted to the Authorised Officer on request. Failure to comply with such a request will result in funding being withheld until such time as accounts have been submitted and found to be satisfactory by the Council.

7.3 Where the Grantee's accounts include an auditor's report which is qualified, whether or not the Council has requested sight of the accounts, the Council shall be informed forthwith and shall be sent a copy of the qualification. In such an event, the Council may review the Grant awarded to the Grantee.

7.4 The Council and its external auditors reserve the right to conduct an audit of the Grantee's financial records, including those relating to all other sources of income and expenditure, at any time and to discontinue and reclaim the Grant partly or completely in cases where these Conditions of Grant are not being adhered to.

8. Surplus Funds

8.1 Surplus Funds will be treated as follows:-

- (a) if the Council is providing ongoing financial support to the Grantee, the Surplus Funds will be deducted from subsequent Grant allocations;
- (b) if the Council has no further funding interest in the Grantee the Surplus Funds will be repaid to the Council.

9. Grants to be used for works, land or buildings

9.1 Where the Grantee has been awarded a Grant towards the cost of works or land or buildings the Grantee must ensure that:-

- (a) it adheres timeously to these Conditions, including any additional conditions applied to the Grant, to the satisfaction of the Council;
- (b) where a Council-held property is involved, advice from the relevant department within the Council is sought at the earliest opportunity, as necessary, in relation to property costs, including rent, rates and insurance, and the suitability and/or continued availability of the property for the proposed use;
- (c) it notifies the Council immediately of any changes to the information submitted with the Grant Application Form, or otherwise declared to the Council, including changes which affect the terms and conditions relating to the acquisition or lease of property funded by the Grant;
- (d) all appropriate planning consents and building warrants and any other necessary permissions or consents required for the Project are obtained and evidence of same are produced timeously upon request;
- (e) all works are carried out only with the written approval of the owner(s) and evidence of same are produced timeously upon request;
- (f) following any work involving land, buildings or roads any reinstatement work is carried out as required, to the full satisfaction of the owner(s) and the Council, if appropriate, and that a written statement from the owners to this effect is produced by the Grantee. Reinstatement costs will not exceed those detailed in the Grant Application Form;
- (g) a copy of the invoice for capital works, and in due course, when the work has been completed, an audited and certified statement of final costs is submitted to the Authorised Officer of the Council together with such other information as the Council may reasonably require; and
- (h) the Grant will be applied only to the specific work stipulated in the Grant Application Form as agreed with the Council.

10. Assignment

The Grantee shall not be entitled to assign, contract or otherwise transfer its rights or obligations under the Conditions of Grant without the prior written consent of the Council and/or other relevant funding body where applicable.

11. Corrupt Gifts or Payment of Commission

The Grantee shall not offer or give or agree to give any person any gift or consideration as any kind of bribe, inducement or reward in relation to this Grant. The Grantee shall ensure that its officers and representatives shall not breach the terms of the Bribery Act 2010 in relation to this or any other Grant.

12. Confidentiality and Data Protection

- 12.1 All information submitted to the Council may need to be disclosed and /or published by the Council.
- 12.2 Notwithstanding the above, in exercising its obligations under the Freedom of Information (Scotland) Act 2002 and any subordinate legislation or codes ("the 2002 Act") made under the 2002 Act from time to time, the Council will have due regard to the commercial interests of the Grantee in the event that the Council may be requested by any third party to disclose information related to the Grantee, the Grant or any information submitted by the Grantee to the Council in connection with the Grant without prejudice to the Council 's duty to discharge its obligations in terms of the 2002 Act.
- 12.3 The Grantee shall ensure that all requirements of the Data Protection Act 1998 are fulfilled in relation to the Project.

GLOSSARY

1. Definitions

In these Conditions:-

“Authorised Officer” means the officer appointed by the Council to monitor and supervise the Grantee in accordance with these Conditions.

“Conditions” means these conditions of grant agreed to by the Council and the Grantee together with any additional conditions of grant set in accordance with Condition 2.10.

“Council” means the Renfrewshire Council, a Local Authority constituted in terms of the Local Government etc (Scotland) Act 1994 and having its principal office at Renfrewshire House, Cotton Street, Paisley, and its successors whomsoever, and any person appointed to act on its behalf.

“Default” means:

- (a) any breach of the obligations of either party under the Conditions (including, but not limited to, any breach of any undertaking or warranty given under or in terms of these Conditions or the award of Grant);
- (b) any failure to perform or the negligent performance of any action required under these Conditions or pursuant to the award of Grant;
- (c) any breach of any legislation; or
- (d) any negligence or negligent or fraudulent mis-statement or misappropriation of Grant or any other default;

In all cases by either party, its employees, agents or representatives.

“Grant” means the funding awarded to the Grantee by the Council in accordance with these Conditions to achieve the Project.

“Grant Application Form” means the application made by the Grantee for payment of the Grant, adjusted where appropriate in agreement with the Council as part of the application process.

“Grantee” means the recipient of the Grant in accordance with these Conditions.

“Guidance” means any applicable guidance relative to the Law to which the Grantee has a duty to have regard to the extent that the same are published and publicly available or the existence or contents of them have been notified to the Grantee by the Council and/or Scottish Ministers and/or any relevant regulatory body.

“Law” means:-

- (a) any applicable common law or statute or proclamation or any delegated or subordinate legislation or regulation;
- (b) any enforceable community right within the meaning of Section 2(1) of the European Communities Act 1972;
- (c) any applicable judgement of a relevant court of law which is a binding precedent in Scotland; and
- (d) any other directives or requirement of any regulatory body with which the Grantee is bound to comply.

“Project” means the purpose to be achieved by the Grantee.

“Financial Year” means a period from 1 April in one year until 31 March in the next (both dates inclusive).

“Renfrewshire Community Plan” means the current plan relative to the community of Renfrewshire agreed by the Council and its partners for a given period available from the Council upon request, or from its website (www.renfrewshire.gov.uk) and any successor plan or document.

“Surplus Funds” means the amount of Grant paid by the Council to the Grantee at any point in time which exceeds the amount of the expenses reasonably required by the Grantee in connection with the Project.

“Supervising Department” means the Council service which has appointed the Authorised Officer.

2. Interpretation

In these Conditions:-

- (a) all references to statutory provisions in these Conditions shall include all amendments or re-enactments of those provisions made from time to time together with any statutory instruments, rules, regulations, Guidance and any other direction made thereunder;
- (b) singular words shall include the plural and vice versa save where the context of the words otherwise require;
- (c) where either party does not exercise or enforce any of these Conditions, it shall not be deemed to have waived its right to do so at any subsequent time;
- (d) the headings in these Conditions are for convenience only and should not be read as forming part of the Conditions or taken into account in their interpretation;
- (e) except as otherwise provided in these Conditions, any reference to a Condition, clause, paragraph or sub paragraph shall be a reference to a Condition, clause , paragraph or sub paragraph of these Conditions;

- (f) all references to documents, policies or procedures in these Conditions shall include any successor or replacement to those documents, policies or procedures; and
- (g) the words “include”, “includes” and “including” are to be read as if they were immediately followed by the words “without limitation”.

ACCEPTANCE OF GRANT OFFER AND CONDITIONS OF GRANT

It is essential that this acceptance should be completed and returned **within 21 days.**

Project Name:

Grantee Name:

Dear Sirs

*(1) Iholding the office

of *(2)..... accept on behalf of the above Grantee, the offer of Grant and the Conditions of Grant issued to the Grantee by the Renfrewshire Council ("the Offer") and will ensure that the Grant will be used to achieve the agreed Project.

I confirm that the Offer is acceptable to the above Grantee and will continue to be binding in the event of any subsequent change in office bearers.

I confirm that I am an authorised signatory of the above mentioned Grantee and have express authority to accept the Offer on behalf of the above mentioned Grantee.

Signed

Date.....

Signed*(3).....

Date.....

Position held.....

*(1) Please enter in BLOCK CAPITALS

*(2) Please enter office held in BLOCK CAPITALS

*(3) Signature of second office holder

TO :

Renfrewshire Council
Renfrewshire House
Cotton Street
PAISLEY, PA1

**CONDITIONS OF GRANT FOR GRANTEES RECEIVING £1,000 OR MORE BUT
LESS THAN £10,000**

**UNDERTAKING TO BE SIGNED BY EACH DIRECTOR,
MEMBER OF THE EXECUTIVE OR MANAGEMENT COMMITTEE**

Project Name:

Grantee Name:

TO :

Renfrewshire Council
Renfrewshire House
Cotton Street
PAISLEY, PA1

I, *

holding the office of **, hereby undertake to pay
on demand to the Renfrewshire Council any sum of money which becomes due to the
Council in terms of the offer of the Grant and the Conditions of Grant issued to the
Grantee for the Project as a result of my negligence or dishonesty.

.....
(Member's Signature)

.....
(Witness' Signature)

.....
(Date of Signing)

.....
(Witness' Full Name)

.....
(Place of Signing)

.....
.....
(Witness' Address)

* Insert name and address

** Insert office held

**N.B. A separate Undertaking requires to be signed by each Director, Member of
the Executive or Management Committee.**

**It should be attached to a copy of the Acceptance of Grant Offer and
Conditions of Grant form, completed on behalf of the Grantee.**

