

Cabinet – 17 March 2010

Protocol for Walsall Council to act as Accountable Body

Portfolio: Councillor Bird, Leader of the Council

Service: Walsall Partnership

Wards: All

Key Decision: No

Forward Plan: No

1. Summary of Report

To present a proposed protocol for where Walsall Council is required or requested to act as the accountable body for external funding which it may either receive or it bids for. This protocol will be appended to Walsall Council's grants manual.

2. Recommendations

That Cabinet approves the proposed protocol, (which consists of the principles set out in paragraph 3.4 and the decision-making matrices attached at appendix 1 – 3), to be used on every occasion that it is being considered that the Council becomes the accountable body.

3. Background Information

- 3.1 Walsall Council receives funds from a variety of sources. The audit requirement for these differs greatly, with some being onerous, whilst others are relatively low demand. For example, there may be a requirement for external audit certification, internal audit certification or no certification. The Council has its own arrangements for internal auditing and there is the external auditor's responsibility to provide an opinion of the Council's accounts and use of resources.
- 3.2 The Council is often seen by regional and national funding providers as the logical organisation through which to further distribute funds locally. The accountable body's purpose is to manage funding it receives by ensuring robust procedures are in place for its use, expenditure and monitoring to minimise any risk or claw-back.

- 3.3 When the Council is requested to act as the accountable body on behalf of another organisation there is a potentially greater risk to the Council, due to the consequent lack of control over third parties. When the Council acts as the accountable body, it is responsible for the way in which another organisation spends grant funding provided. Officers need to receive an account showing that the organisation for which it acts has complied with both the grantor's and the Council's requirements.
- 3.4 This protocol has been developed to address these issues. It is proposed that the protocol includes a set of principles and a series of matrices that will be used to make decisions in different circumstances.
- 3.5 The proposed principles when the Council considers acting as accountable body for external funds are:
- i) The funding provider will only distribute funds through the Council directly, rather than another organisation.
 - ii) There is no other appropriate and suitable accountable body / legal requirement.
 - iii) The funding received / applied for addresses the priorities of the Sustainable Community Strategy and / or the Council's priorities.
 - iv) A nominated accountable body officer has been identified.
 - v) The attached approval matrix has been adhered to, in line with the Council's grant manual.
 - vi) It is agreed that no funds will be paid to an external body until full details and evidence of expenditure have been submitted, within agreed timescales, and agreed outputs / milestones and these have been checked by the nominated officer of within the Council.
 - vii) Contracts and / or funding agreements between the Council and the external body reflect the requirements of the original funding provider and are put in place prior to any funding being received.
 - viii) A robust exit / sustainability strategy is identified and agreed.
 - viii) The nominated accountable body officer will ensure that the amount of funding received and the date it is to be received, is entered on to the Council's grant register, held by Finance, along with any internal or external auditing arrangements.
 - ix) Where match-funding is required, the Council should not be put at risk if the match-funding is not confirmed. In the case of match-funding being required as part of the bid, then if the match is not secured / confirmed, then the bid will not continue.
- 3.6 Attached at appendices 1 – 3 are approval matrices, which set out the officer level of approval for the following scenarios, which will be appended to the grants manual. The amount of grant will be the funding to be received by the Council:
- Funds where the Council is the named accountable body and funds are utilised within the Council, eg, Learning to Deliver
 - Funds where the Council is the named accountable body and funds are managed by an external organisation, eg, Connections to Opportunities
 - Funds where a competitive bidding process is necessary, with the Council acting as the accountable body, eg, Transformation Fund (Informal Adult Learning)

- 3.7 The grants manual is currently being revised and will include substantial detail about the detailed actions required to support effective implementation.

4. Resource considerations

4.1 Financial:

- 4.1.1 The Council will need to act as accountable body for a number of funding streams, which may pose a risk to the Council, dependent on the terms and condition of the funding provider.
- 4.1.2 Any funding successfully applied for / received must be entered on to the Council's grant register. This protocol will be appended to the Council's grant manual and will be required to be followed at all times.
- 4.1.3 Any accountable body agreement should have delegated approval of the relevant Executive Director as an authorised signatory. In line with the Council's Financial and Contract Rules, that any agreement entered above £50,000 should have the written agreement of the relevant Executive Director / Assistant Director.
- 4.1.4 Cabinet will be advised of any new grants on a regular basis through the Corporate Financial Performance reports. This will include any accountable body agreements the Council has entered in to.
- 4.1.5 Where approval of Cabinet is required, a recommendation must be made to Council to approve the accountable body status.
- 4.1.6 It is proposed that this protocol and the refreshed grants manual 2010 will come in to force with effect from 1 April 2010. A review of both documents will be undertake on an annual basis.
- 4.1.7 Existing accountable body arrangements will need to be reviewed in line with the revised protocol and grants manual.
- 4.1.8 Officers must comply with the Council's Financial and Contract Rules.

4.2 Legal:

- 4.2.1 There may be some legal implications dependent on the funding provider and the grant conditions imposed, legal advice will need to be sought as and when applications for grant funding are made as well once they have been successful.
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4.3 Staffing:

- 4.3.1 In some instances, staff will be recruited which will need to be taken in to account in relation to terms and conditions of employment. If any funding is obtained, additional staff costs, eg, redundancy must be fully considered when applying for funding.

5. Citizen Impact

Funding applied for will have differing impact on citizens, but if funding is aligned to the Sustainable Community Strategy and Council pledges, then a positive impact on citizens should be realised.

6. Community Safety

Dependent on funding received / applied for.

7. Environmental Impact

Dependent on funding received / applied for.

8. Performance and Risk Management Issues

8.1 Risk:

8.1.1 Each grant / project will need to adhere to the Council's risk management arrangements, partnership toolkit, the Council's grants manual and the accountable body agreement.

8.2.2 There may also be a requirement for the risk management arrangements of the funding provider to be adhered to.

8.2 Performance Management:

8.2.1 Each grant / project will need to adhere to the Council's performance and programme management arrangements.

8.2.2 There may also be a requirement for the performance management arrangements of the funding provider to be adhered to.

9. Equality Implications

Each funding application will take in to consideration equality implications.

10. Consultation

10.1 Consultation has been held with relevant Council officers.

10.2 The grants manual and protocol will be presented to the Walsall External Co-Ordinating Bids Group (WEBCOG) to explain these documents to partners, providing them with the opportunity to benefit from it.

Background Papers

None

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Handwritten signature of Rory Borealis, consisting of the letters 'R' and 'B' in a stylized, cursive script.

Rory Borealis
Executive Director
8 March 2010

Handwritten signature of Councillor Mike Bird, a fluid cursive script.

Councillor Mike Bird
Portfolio Holder
8 March 2010

EXTERNAL FUNDING APPROVAL MATRIX

Funds where the Council is the named accountable body and funds are utilised within the Council, eg, Learning to Deliver

Level of Funding	Notify Manager (*)	Approve Project Plan - Manager	Notify Relevant Executive Director	Notify Corporate Management Team of Project Plan	Approve Project Plan – Corporate Management Team	Inform Cabinet of Project Plan	Approve Project Plan – Cabinet	Include on Finance Grants Register
Up to £50,000	✓	✓	✓					✓
Up to £100,000	✓	✓	✓	✓				✓
Up to £500,000	✓	✓	✓	✓	✓	✓		✓
Up to £1million	✓	✓	✓	✓	✓	✓	✓	✓
£1million+	✓	✓	✓	✓	✓	✓	✓	✓

(*) Minimum Service Manager

Funds where the Council is the named accountable body and funds are managed by an external organisation, eg, Connections to Opportunities:

Level of Funding	Notify Manager (*)	Approve Project Plan - Manager	Notify Relevant Executive Director	Notify Corporate Management Team of Project Plan	Approve Project Plan – Corporate Management Team	Inform Cabinet of Project Plan	Approve Project Plan – Cabinet	Contract / Grant Agreement / SLA (**)	Include on Finance Grants Register
Up to £50,000	✓	✓	✓					✓	✓
Up to £100,000	✓	✓	✓	✓				✓	✓
Up to £500,000	✓	✓	✓	✓	✓	✓		✓	✓
Up to £1million	✓	✓	✓	✓	✓	✓	✓	✓	✓
£1million+	✓	✓	✓	✓	✓	✓	✓	✓	✓

(*) Minimum Service Manager

(**) A contract will be required when commissioning an external organisation using procurement / contracting processes; a Grant Agreement will be required where there is an existing service deliverer or there is one known service deliverer, eg, Walsall NHS; a Service Level Agreement (SLA) will be used when granting with a third-party service deliverer

Funds where a competitive bidding process is necessary, with the Council acting as the Accountable Body, eg, Transformation Fund (Informal Adult Learning):

Level of Funding	Approval from Manager to Bid (*)	Approval from Relevant ED	Approve Project Plan - Manager	Approve Project Plan – Executive Director	Notify Corporate Management Team of Project Plan	Approve Project Plan – Corporate Management Team	Inform Cabinet of Project Plan	Approve Project Plan – Cabinet	Contract / Grant Agreement / SLA (**)	Include on Finance Grants Register
Up to £50,000	✓	✓	✓						✓	✓
Up to £100,000	✓	✓	✓	✓	✓				✓	✓
Up to £500,000	✓	✓	✓	✓	✓	✓	✓		✓	✓
Up to £1million	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
£1million+	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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