

Report to Audit and Risk Assurance Committee

18 November 2021

Subject:	Voluntary and Community Sector Grants Update
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1 Recommendation

- 1.1 To update the Audit and Risk Assurance Committee on how the council plans to maintain an appropriate oversight and management of grant funding to the voluntary and community sector in future and in ensuring a strategic relationship with the sector to deliver the aspirations of the Corporate Plan.

2 Reasons for Recommendation

- 2.1 Following an internal audit review of voluntary and community sector grants, the Committee requested that they be kept up to date on what changes to the oversight and management of this funding would take place. This report sets out the latest arrangements regarding this.

3 How does this deliver objectives of the Corporate Plan?

		The Audit and Risk Assurance Committee is a key component of the council's governance, risk management and internal control framework
		
		

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4 Context and Key Issues

4.1 The council's relationship with and funding to the voluntary and community sector is set out in a number of key documents. These provide a level of structure and governance around the issuing of grants, and include:

- Sandwell Compact (last reviewed by Cabinet in 2019),
- Voluntary & Community Sector Funding Protocol (reviewed in 2019),
- Voluntary & Community Sector Grant Funding Procedures and Guidance (part of Financial Regulations)

These documents are supplemented by the support and guidance provided by the Voluntary Sector Support Team (VSST) to commissioners across the council and external organisations.

4.2 It is recognised that the voluntary and community sector make a valuable contribution to the local community and to the council in enabling it to meet its objectives. The sector also played a key role in supporting community resilience during the pandemic

4.3 Following a review of voluntary sector grants issued across the council conducted during 2018/19, a working group led by the former Executive Director- Neighbourhoods recommended establishing a centralised budget for grants paid to the Voluntary and Community Sector and implementing more robust monitoring to create a collective overview of activity. This approach was agreed by Leadership Team in February 2020 and led to the establishment of the Investing in the Voluntary & Community Sector Strategic Group (IITVCS group).

4.4 Unfortunately, limited progress had been made in this area due to changes in senior leadership, focus of the organisation responding to the Covid-19 pandemic, and limited capacity within Service Improvement and the VSST to drive the implementation of strategic change. The direction of travel was again confirmed at Leadership Team in October 2020, but it was agreed that implementation would be paused following the outcome of the Senior Management Restructure.

4.5 The main challenge the organisation was facing was that commissioners from different directorates were using different approaches to how they award and monitor grant funding, and there was a lack of information sharing across directorates to enable an organisational understanding of what activity is being funded across the sector and the outcomes derived from such funding.

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- 4.6 It had been envisaged that the implementation of the Grant Management System within Oracle Fusion would provide improved mechanisms for capturing and reporting information on grants activity. However, in light of the challenges surrounding the implementation of the core functions within Oracle Fusion, it is unlikely that this functionality would be available in the near future.
- 4.7 Also, this agenda has suffered from a lack of clear strategic ownership and direction at senior leadership level over the last twelve months. Whilst all directors involved agree that a co-ordinated and strategic approach with the voluntary and community sector was required, not having a single identified lead to push the agenda forward has meant that the key piece of work to centralise the grant budgets has stalled.
- 4.8 With the implementation of permanent changes in personnel across the senior management team, this presented an ideal opportunity to take stock of the approach that the council now wishes to take and agree the future action plan for this area. This action plan will include the recommendations from the previous internal audit report.
- 4.9 Therefore, the Leadership Team were asked to consider and agree the arrangements that needed to be put in place to maintain the appropriate oversight and management of grant funding to the voluntary and community sector over the short to medium term future.
- 4.10 In addition to this, and in light of both recent structural and personnel changes within the senior management structure of the organisation and following feedback from the voluntary and community sector, Leadership Team was also asked to consider and agree which Director was best placed to take the lead on the council's relationship with its voluntary sector partners. In October 2021, the Leadership Team agreed to centralise the Voluntary Sector Support Grant Budget but retain commissioning responsibility within directorates. This would result in the overall budget for grant funding being centralised into the Business Strategy and Change directorate, along with the administration of issuing grants and the Director for Business Strategy and Change would formally take the lead on developing and managing the organisation's relationship with the sector, whilst decision making on the allocation of grants would be retained by the IITVCS group.
- 4.11 Directorates would retain responsibility for identifying where grants would add to/support the delivery of desired outcomes and retain knowledge of and relationships with relevant local organisations.

This approach will require robust financial reporting on grants and activity, along with a good working relationship between commissioners and the IITVCS group. It would also provide clear governance arrangements for decision making and provide stronger foundations for beginning to build an effective strategic relationship with the sector.

- 4.12 Once this new process had been given time to become embedded, it then would be subject to an internal review, in all likelihood as part of the next Internal Audit Plan.

5 Alternative Options

- 5.1 The purpose of the report is to inform the Committee on the planned oversight and management of grant funding to the voluntary and community sector. As such, there is no alternative option.

6 Implications

Resources:	There are no direct resource implications arising from this report.
Legal and Governance:	The council is not obliged by law to appoint an Audit Committee, but this course of action has been taken in line with guidance from CIPFA.
Risk:	The Audit and Risk Assurance Committee is a key component of the council's risk management framework.
Equality:	It was not necessary to undertake an Equality Impact Assessment.
Health and Wellbeing:	There are no direct health and wellbeing implications from this report.
Social Value	There are no direct social value implications from this report.

7. Appendices

- 7.1 There are no appendices.

8. Background Papers

- 8.1 There are no background papers.

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