

Report to the Council

Committee: Cabinet

Date: 22 April 2008

Portfolio Holder: Councillor C Whitbread

Item:

1. EXTERNAL FUNDING - PORTFOLIO RESPONSIBILITY

Recommending:

That external funding form part of the Finance, Performance Management and Corporate Support Services Portfolio.

Background

1. 'External funding' has been defined by the CIPFA Statistical Information Service as 'discretionary money not accounted for within the Formula Spending Share (FSS), or equivalent, distributed by various UK and EU agencies on a business case or competitive basis requiring an application'. There are numerous sources of external funding, including: UK Government, Lottery, European Union, Private Organisations, Charities and Local Authority Partnerships.
2. In recent years, there have been several factors leading to the increasing use of external funding. Government initiatives, such as the Gershon Review, have also increased pressures on spending and the necessity to make efficiency savings. These have been exacerbated by other external pressures, which have forced local authorities to take spending and funding decisions. At the same time, the availability of statutory grants has dwindled, whilst discretionary activities have become more dependant on funding, and there has been an increase in competitive funding and partnership development opportunities.
3. An Internal Audit review of procedures and controls in place at the Council for the management and administration of external funding was undertaken in August 2006 as part of the 2006/07 Internal Audit Plan. The report set out an aspirational view of where the Council should aim towards over the next few years based on best practice, and set out a number of recommendations in that regard.
4. The findings of the Audit review indicated that external funding was not treated as a priority within the Council, and there was a need for a strategic approach, corporate support, central co-ordination, dedicated financial and staffing resources and a framework to be put in place for securing and managing external funding. In identifying that there is a range of funding opportunities available to local authorities, the report also recognised that an investment of time and resources was required to create the capacity needed to take advantage of these opportunities to benefit the Council in meeting its key service objectives.

External Funding Working Party

5. In 2007, an External Funding Working Party comprised of Council Officers was set up to ensure implementation of the Audit report recommendations where practicable and resources permitting.
6. The main focus of meetings of the Working Party to date has been on finalising a policy and a toolkit.

External Funding Policy/Toolkit

7. At our meeting on 10 March 2008, we considered proposals of the Working Party, adopted a policy on external funding and approved associated financial arrangements, including links to the budget and strategic planning processes set out in an External Funding Toolkit.

Annual Report

8. We also agreed that an annual report be produced illustrating the Council's success in securing external funding. The first such report will be produced at the commencement of the 2009/10 financial year.

Portfolio Holder Responsibility

9. It is necessary to agree Portfolio Holder responsibility for external funding and we are recommending that it forms part of the Finance, Performance Management and Corporate Support Services Portfolio.

Recommendation

10. We recommend as set out at the commencement of this report.