

**EPPING FOREST DISTRICT COUNCIL  
EXTERNAL FUNDING ACTIVITIES**

**ANNUAL REPORT  
2008/09**



*Epping Forest District Council*  
[www.eppingforestdc.gov.uk](http://www.eppingforestdc.gov.uk)



## **1.0 INTRODUCTION**

1.1 This report is prepared in accordance with Section 1 (e) of the Terms of Reference for the Council's External Funding Working Party. Its focus is on the District Council's external funding activities during 2008/09. There is additional information on the background to the establishment of the Working Party and the production of the External Funding Strategy. Some of the work in connection with took place in the preceding years.

## **2.0 INTERNAL AUDIT REVIEW OF EXTERNAL FUNDING 2006/07**

2.1 A review of procedures and controls in place for the management and administration of external funding was undertaken as part of the 2006/07 Internal Audit Plan. The report presented the findings of a high level review of the Council's approach to external funding compared with best practice defined by CIPFA and the Audit Commission. It presented an aspirational view as to where the Council should be aiming, identifying a number of major issues for the attention of senior management as the main priority, other issues for local management attention as the second priority, and minor matters as the next priority. A summary of the findings and recommendations of the Audit Report is attached as Appendix 1.

2.2 In considering the audit report, the then Management Board, at its meeting on 29 November 2006, established the Working Party, requiring it to produce an External Funding Strategy. The basis of the strategy was to establish a review process where, when potential opportunities were identified for funding in respect of proposed schemes, an appropriate group of officers should be convened to take the proposal forward in accordance with policy guidelines. The Working Party's Terms of Reference, whilst in essence similar to those agreed at its inception, have been modified and extended in the light of experience and, moreover, to reflect the requirements of new roles following the adoption of the strategy. A copy of the updated Terms of Reference is attached at Appendix 2.

2.3 It was agreed that the Working Party should consist of a representative from each of the directorates/service areas who had an active involvement with or specific responsibility for external funding matters as part of their role, and for acting as a conduit for the dissemination of information between the Working Party and their directorates. These arrangements remain in place, with there now being a representative from each of the new directorates forming the new organisational structure implemented in April 2008 i.e. one representative from each of The Office of the Chief Executive, The Office of the Deputy Chief Executive, Environment and Street Scene, Finance, Housing, Internal Audit and Planning and Economic Development.

2.4 The Chairman of the Working Party is determined by the Corporate Executive Forum and the Assistant to the Chief Executive has been the Chairman of the Working Group throughout its period of operation.

2.5 The Working Group's first meeting took place on 7 February 2007 and a further 12 meetings were held between that date and 31 March 2009.

Its work will continue into the future and further dates are already scheduled in 2009/10.

### **3.0 EXTERNAL FUNDING STRATEGY**

- 3.1 At the commencement of its work, the Working Party noted that there were numerous officers in different service areas involved in external funding activities, in identifying potential sources and in seeking to secure funding for specific projects. However, the work tended to be an 'add-on' to the everyday role, with funding applications taken on by individual officers in addition to their daily workload. There were instances arising of officers having difficulty taking potential funding bids forward through lack of specialist knowledge but the overriding issues centred around capacity and the lack of a coordinated approach set out within a written strategy. A strategic approach involving central coordination and dedicated financial and staffing resources and a framework for securing and managing external funding were regarded as key.
- 3.2 The development of a corporate External Funding Strategy was seen as a vital step towards a coordinated and consistent approach across the Council. The development of such a strategy had previously fallen within the remit of the post of External Funding Officer but when the post-holder had left the employ of the Council in 2001, the post had been removed from the establishment, with the consequence that no formal strategy had been developed. Within the 'Use of Resources' process carried out at similar time to the Internal Audit Review, the Audit Commission had commented to the effect that the Council should 'develop and implement the external funding strategy to ensure sustainable and cost effective use of resources'.
- 3.3 A number of 'good practice' strategies produced by other local authorities were drawn from during the production of the District Council's strategy. Two in particular were used extensively, these being those of Darlington Borough and Wyre Forest District Council. Consequent upon an extensive period of consultation and review, the District Council External Funding Strategy was finalised and adopted by the Council in March 2008. A copy is attached at Appendix 3.
- 3.4 The strategy document is divided into two main parts, namely the strategy itself and the toolkit. The strategy provides a definition for external funding, sets out objectives, identifies the potential benefits, opportunities and pitfalls, identifies how it links to the Council's performance framework and strategic objectives, legal implications and the need for continuity, reporting and monitoring in relation to projects for which funding is secured. The toolkit has a dual purpose. It provides a corporate advice resource and assists staff involved, in any way, in the process of securing or seeking to secure external funds. A copy of the toolkit is attached as Appendix 4.

### **4.0           DEFINING EXTERNAL FUNDING**

- 4.1 There were considerable discussions regarding what amounted to 'external' funding and defining the term proved difficult. In particular, there was a debate on whether it should include funds secured for projects by others in the District where the Council was not the direct beneficiary but had played a part in securing funds e.g. where funds were received by partner organisations through the Local Area Agreement process, or individual voluntary or community groups as recipients of funding through the Council's own Grant Aid Scheme. There were also discussions regarding which elements of funding received by the Council should be classed as external given that, in a sense, many central government grants (the Revenue Support Grant for example) are from external funding sources. The Working Party decided that, for the purposes of the strategy, a narrower definition was applicable, one similar to that put forward by CIPFA, with the focus being on funds secured by the District Council beyond those which would normally be available to it:

'External funding could be defined as any money which the Council secures extra to its annual allocation from central government or would normally be available to it, and the money it raises through council tax, fees and charges, either by itself or in partnership. Typically these resources might be secured through competitive bidding'.

- 4.2 Having defined the term, the Working Party prepared a schedule, based on information provided by directorate representatives, on funds secured from external sources, together with prospective projects, grants and bids for 2008/09. For completeness, the information relates to all external funds i.e a wider definition than that set out in 4.1 above. A copy of the schedule is attached at Appendix 5.

## **5.0 TOOLKIT**

- 5.1 The toolkit contains information about different sources of funding available at a national and local level from both the public and private sectors, how to prepare a suitable bid and the project management of a scheme once a successful bid has been made. It was put together following an analysis of good practice measures elsewhere within external funding strategies. It is an aide memoire for all those involved in the external funding process be that in the bidding, the management of funded projects or activity, and the management of budgets secured from external sources. The toolkit is also freely available, via the Council's website, to other bodies and individuals.

## **6.0 BUDGET PROCESS**

- 6.1 For each project in respect of which funding is secured, it was agreed that a cost centre or budget code shall be produced. This will enable project activity and expenditure to be easily identifiable for claims and monitoring purposes. It was further agreed that a summary should be produced as part of the preparatory work for the subsequent financial year's budget, describing the scheme (whether the grant has been secured or a decision is pending) and the sum approved/requested. This summary will be used to inform both the budgetary process and

the external funding strategy itself. All those involved working on the the project are required to be involved in the monitoring process.

- 6.2 There is a recognition, both within the budget and the strategy, that the ability to secure funds from one source may be dependant on a successful bid to another source, on a match, joint or 'up front' funding basis.

## **7.0 COMPARISONS WITH OTHER LOCAL AUTHORITIES**

- 7.1 Until 2008, CIPFA gathered statistics on an annual basis providing comparative information on the performance of local authorities in respect of external funding. The statistics looked at various aspects such as the number of successful bids and funds received (taking account of factors such as population and the Indices of Deprivation where appropriate), the existence of a documented strategy, officers with specific roles and responsibilities in the area of external funding, bid tracking and monitoring systems.
- 7.2 The District Council, through the Working Party, responded to the more recent surveys. However, CIPFA has now ceased compilation of the statistics in view of the poor response rate and reservations about the usefulness of the statistics. Nonetheless it is recognised that there is value in making comparisons with other local authorities in terms of external funding both from the point of view of funds received and in the exchange of information and advice about good practice associated with external funding policies and procedures. As such, the Working Party is looking at the possibility of the District Council being involved in benchmarking either through joining an existing club or through the establishment of a new one.
- 7.3 A copy of the CIPFA statistics for 2008 is attached at Appendix 6. Although these have now been discontinued, those for 2008/09 indicate that the total amount of funding obtained from external sources by the Council was £2,338,000 (from 39 bids, all of which were successful). This compared with £1,624,000 (33 bids of which 31 were successful) in 2007/08.

## **8.0 FINANCIAL REGULATIONS**

- 8.1 One particular issue raised through the production of the statistics was the issue of whether all external funding bids should be approved and signed by the Director of Finance. Many other local authorities include this provision within their Financial Regulations. This matter has been referred to the Working Party on Financial Regulations, Contract Standing Orders and Delegated Authorities with a view to this provision being added to the Council's Financial Regulations as part of the 2009/10 review.

## **9.0 GRANTFINDER**

- 9.1 Grantfinder is a comprehensive database of United Kingdom and European Union funding initiatives, ranging from grants and loans to

advisory schemes. It comprises over 6,000 programmes covering eligibility, application procedures and deadlines. The main feature of the Grantfinder system, in addition to the database on existing and future funding opportunities, is the ability for users to carry out project searches to identify funding programmes which match the criteria of the projects concerned.

9.2 Approval was given to the purchase of the Grantfinder package on a one year trial basis at a cost of £3,750. The licence agreement provides for named individuals within the different directorates to be able to access and disseminate up-to-date information on available funding sources which will be especially useful with regards to projects falling within their own sphere of responsibility or the in respect of which they have an involvement. For the benefits of Grantfinder to be realised the system has to be put to good and extensive use and it is hoped that information provided on a timely basis this way will lead to the accessing of funds totalling in excess of the cost of the Council's outlay on Grantfinder. If the licence is to be maintained in 2010/11 and thereafter specific provision within the Council's budget will be required.