



COMMUNITY REGENERATION FUND / COMMUNITY VOICES PROGRAMME STANDARD TERMS AND CONDITIONS

Board Meeting – 23 June 2005

1. PURPOSE OF REPORT

- 1.1 To provide the Community Planning Partnership Board with a summary of the Community Regeneration Fund (CRF) and Community Voices Programme (CVP) Standard Terms and Conditions of Grant.

2. BACKGROUND

- 2.1 On 12 July 2004, the Minister for Communities established a new CRF to bring improvements to Scotland's most deprived areas and assist individuals escape poverty.
- 2.2 The CVP allocation of £60,000 for 2005/06 was confirmed in a letter from Communities Scotland dated 1 November 2004.
- 2.3 A formal offer of grant for the CRF and CVP for the period 2005-08, with associated terms and conditions, was issued by the Scottish Executive and Communities Scotland to East Ayrshire Council's Executive Head of Finance on 4 April 2005.
- 2.4 The terms and conditions for the CRF set out the main provisions for utilising the CRF resources and will be available for inspection at the Board meeting.
- 2.5 The CVP is a separate grant to support the engagement of communities in regeneration activity in their area. Scottish Ministers have placed particular importance on community engagement, and separate terms and conditions for the CVP have been developed, which have been aligned with the CRF terms and conditions of grant. These will also be available for inspection at the Board meeting.

3. STANDARD TERMS AND CONDITIONS OF GRANT

Performance Monitoring

- 3.1 The CRF will be used for projects and services that make a strong and direct contribution to the delivery of outcomes agreed by Scottish Ministers as part of the Community Planning Partnership's (CPP) three-year ROA and for no other purpose.

Performance Monitoring

- 3.2 The nominated 'grant recipient', namely East Ayrshire Council, on behalf of the CPP, ensures that the grant is properly accounted for and used for the purpose for which it is intended. The roles and responsibilities of the grant recipient and the CPP have been attached at Appendix 1.

- 3.3 The CPP requires to establish and maintain appropriate systems to monitor performance, measure progress, and review and evaluate the impact of the grant and ROA.
- 3.4 In addition, the CPP requires to establish and maintain appropriate systems to monitor, review and evaluate the performance of projects and services in receipt of CRF resources, and specifically their contribution to the outcomes set out in the ROA.
- 3.5 All local monitoring arrangements must complement the monitoring of ROA delivery through Communities Scotland's National ROA Performance Monitoring Framework, which is currently being developed. The Monitoring Framework will support on-going performance monitoring and continuous improvement of ROAs, and the production of Annual Reports (the format and date of submission of which are to be advised by Communities Scotland).

Financial Systems and Financial Monitoring

- 3.6 East Ayrshire Council, as grant recipient, must ensure that appropriate financial systems are in place to account for the CRF and CVP grants, and ensure propriety and regularity in the use of public funds. An annual statement of expenditure incurred by each specific service and projects in receipt of funding must be provided.
- 3.7 If any organisation in receipt of funding looks likely to fail for whatever reason and/or abortive expenditure is incurred, a full written report must be presented to Scottish Ministers.
- 3.8 Payment of grant will not be made to meet shortfalls, delays or any other circumstances relating to any other source of funding.
- 3.9 East Ayrshire Council's Executive Head of Finance has been appointed an 'ex-officio' member of the CPP to ensure appropriate financial accountability. In addition, the Council, as grant recipient, has appointed Monitoring Officers to support CRF/CVP projects and initiatives, and ensure rigorous financial monitoring arrangements.

Grant Expenditure, Payment and Claims

- 3.9 The CRF and CVP grants allocated in each financial year are restricted to expenditure within that year. If at any time, East Ayrshire Council, as grant recipient, considers that the CPP will be unable to commit its full programme and is forecasting an underspend in the grant allocated to it, details of this underspend must be immediately provided to Scottish Ministers.
- 3.10 CRF and CVP grants will be paid by the Scottish Executive in quarterly instalments, within the annual allocation of the grants made by the Scottish Ministers. Each quarterly claim must be supported by a list of services, projects and activities in receipt of funding and projected expenditure for these to 31 March 2006, 31 March 2007 and 31 March 2008 respectively.

Asset Management

- 3.11 Unless agreed otherwise with Communities Scotland, all land and buildings, and moveable property with a value of £50,000 or more purchased with the aid of CRF and/or CVP funding will be owned by the grant recipient and not disposed of without the written consent of Communities Scotland. Income from disposal may require to be returned to Scottish Ministers.
- 3.12 Where land, buildings and moveable assets purchased are worth less than £50,000, it is the decision of the grant recipient, in agreement with the CPP, to decide who should own the asset.
- 3.13 Owners of assets costing in excess of £2,500 and with no useful life of more than a year must maintain a register of assets in accordance with generally accepted accounting practice.
- 3.14 The grant recipient is responsible for acknowledging and publicising the support of the Scottish Ministers, for any service or project supported by the CRF and CVP resources, in press releases, leaflets or similar documents and in relation to capital projects.

Default

- 3.15 In the event of any default, Scottish Ministers may refuse grant payments and will be entitled to recover the full/part amount of grants paid from the grant recipient, East Ayrshire Council. The occurrence of one or more of the following events will be deemed to be a default:
- the grant recipient is in breach of the terms and conditions and/or any subsequent agreement with Scottish Ministers;
 - the grant recipient failing to provide, to the satisfaction of the Scottish Ministers, any necessary progress reports, invoices and certifications;
 - any information provided by the grant recipient to the Scottish Ministers in relation to the payment of grants being found to be false or misleading;
 - grant payment, or any part payment, being applied outside the terms of the ROA, including material alteration to the ROA; and
 - delay in using the grants or default in application of the grants (including abortive expenditure) unless approval for any alteration or delay has been granted by Scottish Ministers.
- 3.16 In exceptional circumstances, a default will occur if the grant recipient and/or the CPP were shown to be seriously and systematically failing in their responsibilities or in delivering the ROA. Possible steps to recover any part of such a CPP's grant allocation would be taken following the continued failure of East Ayrshire Council and/or the CPPs to agree with Scottish Ministers and to pursue within a defined timescale the appropriate remedial action.

4. OBLIGATIONS OF BOARD MEMBERS

- 4.1 It is the responsibility of individual Board members to identify any financial or non-financial interests that they may have in any item of business under consideration by the CPP.

4.2 A register of interest for CPP Board members will be maintained in the Community Planning and Partnership Unit and it is the responsibility of individual members to declare their interest at Board meetings and update their interest in the register.

5. RECOMMENDATIONS

5.1 It is recommended that the Board:

- i) notes the formal offer of CRF and CVP grant for the period 2005/06, and indicative allocations for 2006/07 and 2007/08 made to East Ayrshire Council's Executive Head of Finance;
- ii) agrees to accept the offer of CRF and CVP grants, and apply the standard terms and conditions attached to the respective funding;
- iii) notes that the CRF and CVP grants allocated in each financial year are restricted to expenditure within that year;
- iv) notes the development of a national Performance Monitoring Framework to ensure consistency of performance measurement in respect of the ROA;
- v) notes the roles and responsibilities of the grant recipient and the CPP at Appendix 1;
- vi) notes the responsibility of individual Board members to identify any financial or non-financial interests that they have in any item of business considered by the CPP and to ensure that their interest is recorded in the register of interests; and
- vii) otherwise notes the content of the report.

Gwen Barker
Community Planning and Partnership Manager
9 June 2005

CRF / CVP TERMS AND CONDITIONS OF GRANT**Principal Roles and Responsibilities**

1. The principal roles of the **Grant Recipient** are to:
 - accept formally the offer of Grant from Communities Scotland;
 - disburse the Grant to projects and services, ensuring that appropriate accountability arrangements are in place;
 - provide support and advice to organisations in receipt of CRF/CVP Grant to ensure adherence to financial responsibilities;
 - claim Grant from Communities Scotland at the appropriate time;
 - receive and account for payments made by Communities Scotland;
 - provide expenditure returns throughout the financial year to, and at intervals determined by, Communities Scotland;
 - record the costs incurred in the administration of the Grant;
 - ensure financial systems are in place for the effective monitoring of CRF/CVP expenditure;
 - ensure that bodies which receive CRF/CVP funding maintain adequate accounts;
 - certify that the Grant has been spent in accordance with the Terms and Conditions of Grant; and
 - back up Grant claims with an appropriate audit trail.

2. The principal roles of the **Community Planning Partnership** in respect of the **Community Regeneration Fund** are to:
 - develop and agree a Regeneration Outcome Agreement, which sets out how the Grant, other funding streams and the services and expenditure of partners will deliver better and additional outcomes for deprived communities;
 - demonstrate how they are engaging effectively with communities throughout the development and delivery of their ROA;
 - determine how the Grant is best used to achieve the outcomes set out in the ROA and the duration of Grant funding to projects and services in line with the ROA;
 - establish and maintain appropriate systems to monitor performance, measure progress and review and evaluate the impact of the Grant and ROA;
 - establish and maintain appropriate systems to monitor, review and evaluate the performance of projects and services in receipt of Grant, and specifically their contribution to the outcomes set out in the ROA;
 - plan forward years' expenditure; and
 - ensure that services and projects are given appropriate support and advice to enable them to maximise their contribution to the outcomes set out in the ROA.

3. The principal roles of the **Community Planning Partnership** in respect of the **Community Voices Programme** are to:
 - develop and agree a Regeneration Outcome Agreement, which includes community engagement activity and resources;
 - ensure that appropriate systems for monitoring community engagement activity and resources, in particular use of the Community Voices Programme, are established and maintained;
 - determine how the Grant is best used to achieve the community engagement outcomes set out in the ROA;
 - determine the duration of Grant funding to projects and services in line with the community engagement section of the ROA;
 - plan forward years' expenditure; and
 - ensure that services and projects are given appropriate support and advice to enable them to maximise the use of the Community Voices Programme.