



A report on

**Duplicated Effort and Expenditure
in Council-funded Organisations**

by the Scrutiny and Audit Committee.

February, 2008

SAC Report No. 15

| CONTENTS | Page |
|--|-------------|
| SUMMARY | iii |
| 1. INTRODUCTION | |
| 1.1 <i>The Scrutiny and Audit Committee</i> | 1 |
| 1.2 <i>This investigation</i> | 1 |
| 2. HOW THE INVESTIGATION WAS PROGRESSED | 2 |
| 2.1 <i>Documentation</i> | 2 |
| 2.2 <i>Witnesses and Evidence Gathering</i> | 4 |
| 2.3 <i>Attendance at Education, Learning and Leisure Grants Sub-Committee</i> | 5 |
| 3. THE CURRENT SITUATION | 5 |
| 4. IS THERE DUPLICATION IN THE FUNDING OF GROUPS? | 9 |
| 5. IS THERE DUPLICATION IN THE GROUPS FUNDED? | 13 |
| 6. IS THERE DUPLICATION OF EFFORT? | 16 |
| 7. ARE THERE EFFICIENCIES TO BE FOUND IN THE ADMINISTRATION OF THE FUNDING? | 18 |
| 7.1 <i>Service Level Agreements</i> | 18 |
| 7.2 <i>Other trusts</i> | 20 |
| . | |
| 8. HOW DO OTHER PUBLIC SECTOR BODIES MANAGE THEIR FUNDING? | 21 |
| 8.1 <i>Processes and staff support</i> | 21 |
| 8.2 <i>Information sharing – web-pages and online applications</i> | 23 |
| 9. CONCLUSIONS AND RECOMMENDATIONS | 27 |
| 10. THANKS AND INVITATION FOR FEEDBACK | 36 |
| APPENDICES | |
| <i>Appendix A – Investigation Brief</i> | 37 |
| <i>Appendix B – Investigation Programme and Witnesses Heard</i> | 38 |
| <i>Appendix C – Glossary of Abbreviations Used</i> | 40 |

SUMMARY

This report sets out the process, conclusions and recommendations of the fifteenth investigation undertaken by Aberdeenshire Council's Scrutiny and Audit Committee. The subject of the investigation was Duplicated Effort and Expenditure in Council-funded Organisations.

The investigation took place between September and December, 2007. The Committee heard evidence from both Aberdeenshire Council staff and external witnesses during 17 sessions. In addition, the Committee conducted online investigations into the funding information provided and expected of, and by, other funding bodies, including the major Lottery funds, Awards for All, other local authorities, the Scottish government and quangos such as Scottish Enterprise. The Committee considered all the evidence gathered and drew up its conclusions and recommendations at meetings on 13 December, 2007 and 6 February, 2008.

The Committee were provided with an overview of the various means of support which the Council made available to outside bodies, all sitting clearly within the context of the "Following the Public Pound" (FPP) policy. The issue of Trusts was considered – both those seeking funding from the local authority to sustain existing projects, and those which disburse funding, where often the sums involved were very small and the terms of the trust deed rather restrictive for modern day requirements.

Evidence was heard from a variety of recipients of funding; however it proved difficult to identify unsuccessful applicants. Many were not recorded, having fallen at an early stage of inquiry or having been ruled out either by financial restrictions or by failure to meet adequately the award criteria.

Comparisons with other local authorities were sought, together with examples of good practice across funding agencies in general. No direct parallels were found, but various aspects of process or procedure were highlighted to the Committee as alternatives or developments to the systems operated by Aberdeenshire Council.

The Committee learned at an early stage of the investigation that, whilst different parts of the Council could contribute separately to a single body or project, this should be considered as complementary and not duplicated funding. However evidence was heard which suggested that there may be duplicated effort, for both the authority and the applicants for funding.

The Committee considered that there were several areas where existing processes could be enhanced to address this duplication, primarily through the establishment of a shared database for officers to record application details and any award of grant. This would augment the current informal cross-service discussions on particular applications and also could form a certified repository for logging the checks or monitoring required by the Following the Public Pound and Partnership policies, reducing effort for staff and applicants alike.

In addition, the Committee believed that more corporate ownership of the funding pages on the Council's website, and greater use across the services of the

management reports and other tracking available in the GRANTfinder system (to which the Council currently subscribed) would improve matters.

There were discussions on the potential for creating a dedicated funding section but this raised concerns that existing expertise across the services would be lost through over-centralisation. The need for a single portal to access funds was deemed to be beneficial; there were fears that no single officer of the Council could have a complete overview of the various strands of funding which may be available. If this were the case, there could be instances where funding was unused because the source was unknown to the contact officer.

In the current challenging budgetary circumstances of the Council, it was difficult to sustain long term projects, often services which the authority would otherwise have had to provide directly, and also allow access and flexibility to consider new applications. The Committee was aware of discussions in this regard already held by the Education, Learning and Leisure Grants Sub-Committee and heard from officers from various services of the difficulties in responding to new applications when all the funds available had already been disbursed.

For some services, the move towards governing the funding of voluntary or partnership bodies, by Service Level Agreements (SLAs) was noted and commended. It was seen to allow both greater financial security for those being funded and tied the expected outcomes into an agreement which facilitated effective monitoring. These SLAs were seen to work best where there was frequent dialogue between the service and the recipients of funding and a dedicated contact officer. Easy access to meetings if required was also seen to be mutually beneficial.

Many witnesses commented on the excellent support which had been provided to applicants by council officers and the Committee would wish to commend their efforts in this report. Any recommendations for improvement should not be seen as critical of the existing operations but as moves to further enhance the service provided.

During the course hearing evidence, the great workload undertaken by volunteers in assisting the provision of services and facilities and running Trusts was obvious, and the Committee was clear that more should be done to acknowledge this crucial role.

1 INTRODUCTION

1.1 The Scrutiny and Audit Committee

1.1.1 Within Aberdeenshire Council's Scheme of Delegation, the Scrutiny and Audit Committee is empowered to:

- Review the effectiveness of Council policy implementation and Council service delivery and to identify potential improvements;
- Undertake an annual programme of reviews; and,
- Make recommendations regarding improvements to the performance of Services.

1.1.2 In carrying out its reviews, the Scrutiny and Audit Committee is able to:

- Call upon any officer of the Council or Chair/Vice-chair of the Council's committees to give evidence or provide written reports, as appropriate; and,
- Call upon expert witnesses or members of the public to give evidence, where necessary.

1.1.3 The Committee operates according to the following principles of working:

| | |
|----------------|-----------------|
| Deliberative | Outward-looking |
| Investigative | Inclusive |
| Open | Influencing |
| Evidence based | Proactive |
| Transparent | Flexible |
| Accountable | Non-partisan |
| Responsive | |

1.2 This investigation

1.2.1 The Scrutiny and Audit Committee met on 29 June, 2007 to consider potential topics from just under 60 proposals submitted by either Councillors or Senior Officials of the Council. It agreed to investigate "duplicated effort and expenditure in Council funded organisations". The Committee chose this topic because concerns had been expressed that the Council might inadvertently be paying monies to the same, or similar types, of organisation in a single area, or alternatively, not being equitable in its allocation of funding across the geographical area of Aberdeenshire. There were also concerns that the current system might be leading to duplicated effort, either for the staff processing funding applications, or for organisations in applying to various potential funding sources within Aberdeenshire Council for complementary funding for a single project.

- 1.2.2 It was agreed that the purpose and objectives of the investigation should be to establish the extent of duplicated effort and expenditure in Council-funded organisations, including:
- the numbers and distribution of supported groups by geographic area,
 - the overall distribution of funds, both as grants and by mainstream budget support, by areas of interest, and
 - any potential duplication of interest.

It was also agreed that the investigation should consider areas where cost savings and efficiencies could be made, including the possible integration and rationalisation of groups; and make recommendations for improvements.

The detailed brief for the Committee's investigation is attached as Appendix A.

- 1.2.3 The Scrutiny and Audit Committee members who were involved in this investigation were Cllr Peter Argyle (Chair), Cllr Andy Ritchie (Vice-Chair), Cllr Peter Bellarby, Cllr Alan Buchan, Cllr Sandy Duncan, Cllr Tom Fleming, Cllr Rob Merson, Cllr Gillian Owen, Cllr Bryan Stuart, Cllr Michael Sullivan, Cllr Robert Thomas and Cllr Michael Watt.
- 1.2.4 It has been agreed that the Scrutiny and Audit Committee should appoint independent external experts to assist with its investigations where appropriate. For this investigation, it was decided that there would be no benefit in appointing an external expert.

2 HOW THE INVESTIGATION WAS PROGRESSED

The Committee undertook a range of different activities to enable it to carry out this investigation.

2.1 Documentation

- 2.1.1 A range of background documentation was provided to the Committee at the commencement of the investigation. This included information from both within and outwith Aberdeenshire Council:

Internal Documentation

Committee Papers and Extract Minutes of Meeting of Policy Committees on Council Funding:

1. Code of Practice on Following the Public Pound – Revised Aberdeenshire Procedures – Policy and Resources Committee, 16 November, 2006;
2. Code of Practice in Following the Public Pound – Revised Aberdeenshire Procedures and Follow- Up Public Consultation – Policy and Resources Committee, 28 June, 2007;

3. Proposed Partnership and Joint Working Policy – Policy and Resources Committee, 11 January, 2007;
4. Common Good Funds – Review of Charges and Disbursements – Policy and Resources Committee 8 June, 2006;
5. Area Top-Up Budgets – Recommendations of the 2007 Working Group – Extract report to Policy and Resources Committee, 19 April, 2007; and
6. National Non Domestic Rates: Award of Mandatory and Discretionary Relief – Report to Policy and Resources Committee, 16 January, 1997;

Background Information:

7. Area Top-Up 2006/2007 by Area:
 - (a) Banff and Buchan;
 - (b) Buchan;
 - (c) Formartine;
 - (d) Garioch;
 - (e) Kincardine and Mearns; and
 - (f) Marr;
8. List of Organisations Funded Under Following the Public Pound:
 - (a) Recreation Grants Scheme; and
 - (b) Housing and Social Work;
9. Education Learning and Leisure:
 - (a) Scheme of Financial Assistance to Voluntary Organisations and Community Groups; and
 - (b) Grant Application Form.
10. Extract of Council Website Pages on Funding;
11. Voluntary Sector Policy;
12. Organisations Receiving Mandatory (80%) and/or Discretionary (20%) Non-Domestic Rates Relief;
13. Bodies Supported by Planning & Environment Revenue Budget, 2006/07 and 2007/08;
14. Landfill Tax Credit Grants;
15. Voluntary Social Work Organisation Sub-Committee: -
 - (a) Papers, March, 2006; and
 - (b) Papers, March, 2007;
16. Education Learning & Leisure Grants Sub-Committee:-
 - (a) Papers, 4 July, 2007;
 - (b) Papers, 19 September, 2007; and
 - (c) Papers, 7 November, 2007; and
17. Capital Grant Claims – Example Correspondence with Foveran Community Council, 2006; and
18. Provost's Volunteer Awards – Summary Information.

External Documentation

1. Audit Scotland: "Following the public pound – Follow-up study." (17 January, 2004); and

2. Audit Scotland: "Aberdeenshire Council 2004/05 – Following the public pound". (March, 2006);

Information from other local authorities:

3. South Ayrshire Council – Grants and Funding Sources – copies of website entries;
4. Angus Council – External Funding – copies of website entries; and
5. Aberdeen City Council – Funding Pack and copies of website entries;

Information on website portals:

6. Open 4 Funding;

Information on Office of the Scottish Charity Regulator (OSCR):

7. News Release – Charity Reorganisations Commence (19 October, 2007).

- 2.1.2 Additional written information was provided to the Committee during the investigation by witnesses:

Angus Council – "Best Value Management Review of External Funding, 2007" and "Scottish Lottery Officers' Group External Funding Benchmarking Exercise, August 2004."

East Ayrshire Council – Review of East Ayrshire Council's Community Grants Scheme (December, 2007).

2.2 Witnesses and evidence gathering

- 2.2.1 Members of the Committee met a cross-section of Aberdeenshire Council officers involved in delivering services. The Committee sought their views on the current range of options available to the Council, directly or in partnership, to disburse funding to outside bodies; any difficulties in the current operational practices; the move towards the linking of funding to Service Level Agreements (SLAs); and instances of good practice which might be copied from other funding agencies. The aim was to identify areas where duplication of funding and effort might be identified. Officers interviewed included: Area Managers (Buchan and Garioch), the Chief Accountant, the Head of Policy, Heads of Service in Education, Learning and Leisure and Housing and Social Work, grants administering officers from across the range of council services and the Council's webmaster. The full list of Aberdeenshire Council staff who appeared as witnesses during the investigation is given in Appendix B.
- 2.2.2 Individuals with relevant expertise from a wide range of organisations were invited to give evidence to the Committee. Amongst those who appeared before the Committee were: representatives of Angus Council, the Marr Area Partnership and Buchan Development

Partnership, the Bennachie Centre and North East Scotland Preservation Trusts, Gordon Rural Action (GRA), Alzheimer's Scotland, the Kinnellar Village Hall and Foveran Community Council. A presentation on the current and potential capacity and facilities of the GRANTfinder/ GRANTnet/GRANTtracker system was also made to the Committee as part of its evidence gathering. A full list of the external witnesses interviewed during the investigation is given in Appendix B.

2.2.3 In addition, a written submission was received from the Administration Manager, Democratic Services Section of the Corporate Support Department, East Ayrshire Council, who was unable to attend an evidence gathering session in person.

2.2.4 Information on an awards scheme, operated by the Provost of Aberdeenshire, was provided. This sought to mark the efforts of volunteers working to support and continue the provision of services and facilities in various areas of Aberdeenshire.

2.2.5 Full details of the evidence given to the Committee by witnesses are contained in the agenda papers for the Scrutiny and Audit Committee meeting on 13 December, 2007, 31 January, 2008 and those of subsequent meetings. These are located on the Council's Arcadia intranet system. These are public documents and can be made available on request.

2.3 Attendance at Education, Leisure and Learning Grants Sub-Committee

2.3.1 In addition to receiving copies of the papers issued for three recent meetings of the Education, Leisure and Learning Grants Sub-Committee, Cllrs Argyle and Merson attended, with the agreement of Cllr Stroud, the Chair, the informal meeting of the Grants Sub-Committee held on 7 November, 2007. At that meeting, the need to review the current grants system was debated in the context of the growing inability to meet, within available resources, the ever expanding demands for funding from new applicants and continue to meet the needs of those bodies or projects which were established recipients for funding.

3. The current situation

3.1 As a starting point to its investigation, the Committee heard from Mr Brennan, the Chief Accountant, Finance, about the range of methods by which the various services of the Council provided financial assistance to outside bodies, or "Arms Length External Organisations" (ALEOs). In addition to those payments which could easily be categorised as direct grant funding in a traditional sense, (focusing mainly on the grants available in the Education Learning and Leisure and Housing and Social Work Services, administered through the

Education, Learning and Leisure Grants Sub-Committee and the Funding of Voluntary Social Work Organisations Sub-Committee,) awards were made from other budgets after recommendation to appropriate Committees. There were also increasing numbers of payments regulated by Service Level Agreements (SLAs); joint funding arrangements; match funding; and discretionary rates relief. Whilst these were mainly administered at a strategic level, there were other funding processes which sat within the remit of the Area Committees, such as awards made through the Area Top-Up budgets, or the operation of the Common Good funds where these existed. In addition, the Area Committees were responsible for making decisions on the allocation of Youth Transport Grant funding.

- 3.2 In some instances, the payment of funds was linked to a Service Level Agreement (SLAs), or by contract. This generally took place where the outside body was charged to undertake services or functions which the Council did not have the capacity to provide directly.

Mr Booth, the Head of Social Work (Child Care and Criminal Justice), spoke of the Council's role in disbursing ring fenced grants from the Scottish Government for new initiatives in the community, often the voluntary sector. This had been used to great effect in the youth justice bids, which were partnership projects.

Often the body funded was a voluntary organisation which the Council wished to support to undertake tasks on its behalf. Some older SLAs had been constructed to get round capital controls, although changes in the financial regulations meant that this was no longer so relevant. The different operation procedures had evolved, over time, as best suited to the administering services.

- 3.3 Other examples demonstrated the evolution of specific grant application processes, including the two main grant sub-committees of the Council. The Education, Learning and Leisure Grants Sub-Committee considered applications both for project funding for new recreation associated community ventures and revenue support for existing non-Council facilities. . The Funding of Voluntary Social Work Organisations Sub-Committee focused on providing assistance to projects and established initiatives in the voluntary sector.
- 3.4 The Committee learned of the Council's role in providing core funding for community and economic development, and of several distinct grant schemes operated within the Transportation and Infrastructure Service, in addition to general funding given to Rural Partnerships to assist them. Apart from this, other applications for financial assistance could be the subject of a report to the appropriate policy committee. For staff of the Economic Development function, this meant that grants could be made to projects which met the Council's own Economic Development priorities or otherwise pursued the strategic aims of the authority.

- 3.5 In Planning and Environmental Services, recent budget restrictions meant that there was no longer a clear budget for grant to external bodies, outwith the ad hoc reporting to policy committee cited above. In the growing area of partnership working, the reporting on an annual basis to a policy committee for approval of financial, or in kind, support had become a regular practice across many of the Council Services. This included funding for bodies such as the Moray Firth Partnership and the Local Biodiversity Action Group.
- 3.6 The Committee heard from Mr Shepherd (Principal Archaeologist) and Mr Watt, (Team Leader, Built Heritage and Culture,) both officers of the Council and Ms Boldwyn, a representative of the North East Scotland Preservation Trust about a new method of partnership funding which was intended to make the Trust self-financing through the profits from a project which they were to undertake for the Council through a Service Level Agreement. Drawing on both support in kind from officers, and the provision of office space for the Trust's Project Manager/ Trust Administrator, the group could attract funds from organisations which were unable to provide finances to local authorities directly.
- 3.7 Mr Brennan, the Chief Accountant, advised the Committee that in some parts of Aberdeenshire, the Council had inherited pockets of funding as custodians for the people – these included Common Good Funds in some of the main settlements, such as Inverurie and Peterhead, and a myriad of small trust funds, some left as endowments in wills, to be used for the good of the local community in a particular way. Some of these smaller funds could still fulfil their original purpose. Others may now be more difficult to administer as their purpose was archaic or the residual funds too limited to be significant in implementation. This could also raise issues regarding the costs of administration of the trust which could outweigh any benefit.
- 3.8 In addition to inherited funds relating to specific areas, Aberdeenshire Council had determined that "Area Top Up" funding be made available to each of its six areas, at the discretion of the local area committee. Very often this was used to make grants to community initiatives and projects which would not otherwise receive funding when assessed from a central strategic perspective but were deemed to be a local priority, often listed in Area Plans.
- 3.9 Mr Brennan, the Chief Accountant, provided information on how business rates relief operated. For charities, a mandatory relief rate of 80% was funded by the Scottish Government. Local Authorities had discretion to allocate the additional 20% as a discretionary grant. A similar discretion was allowed to Council for organisations with charitable aims not recognised as a charity and also for recreation purposes. Awarded to bodies who were receiving grants from Housing and Social Work or Education, Learning and Leisure, this discretionary business rates relief cost Aberdeenshire Council approximately £250,000 per annum.

- 3.10 Mr Brennan, the Chief Accountant, explained that Aberdeenshire's situation should be seen in the national context of the funding by local authorities of ALEOs. Following Local Government Reorganisation in 1996, the Scottish Executive had concerns that funding passed, from local authorities to external bodies and organisations, increasingly without proper controls. The Convention of Scottish Local Authorities (COSLA) and the Accounts Commission took a lead in this area and published a "Code of Guidance on Funding External Bodies and Following the Public Pound" in 1996. This was based on the six principles of (a) purpose of funding; (b) clear and robust financial regime; (c) monitoring of relationship; (d) clarity of purpose for officer or Member representation on ALEOs, with due regard to the objectives of the council; (e) limitations and the establishment of timetables for the achievement of its objectives; and (f) accountability, ensuring suitable access by external audit.

These principles were to be applied nationally, across all "substantial" funding arrangements, whether in cash or in kind; to expenditure equal to at least £1 on the Council Tax (this would equate to funding greater than £95,000 in Aberdeenshire); or contributions greater than 30% of the annual funding of the body. The Council took this on board and approved its own procedures for complying with the Code of Guidance.

- 3.11 Follow-up studies had been undertaken nationally by Audit Scotland, published in 2004, which identified that in 2001/02, funds in excess of £200M were given to 12,000 organisations by Scottish councils. In a further study in 2005, using figures from the financial year 2003/04, the volume of funds given out nationally had grown to £220M, spread across 14,000 bodies. Over 7000 were voluntary organisations, the remainder mainly charities or companies.
- 3.12 Figures reported to Audit Scotland in a 2005 study, on Aberdeenshire's funding operations in 2003/04, gave information on the categories of organisations receiving funding. In total, funds just short of £6.7M had been given to 514 bodies as revenue funding in 2003/04; capital funding of £421,086 to 29 bodies; and loans advanced of £818, 815 to 12 bodies.
- 3.13 In this assessment, Aberdeenshire Council was considered to have moderate performance, having detailed written procedures and an established format for service agreements which each department was required to have in place for funding arrangements with external organisations. One slight criticism was that whilst service agreements specified the person responsible for monitoring arrangements, the agreements did not always specify what those arrangements would be, or when they would be carried out.
- 3.14 From this assessment, an action plan of eight recommendations had been agreed to increase compliance with the Code, falling within the

remit of either the Head of Finance (Corporate and Accountancy), Head of Policy or Chief Accountant. It had also been agreed that an Officers' Working Group be established to explore and recommend, across services, a standardised way forward.

- 3.15 The Committee heard from Mr Brennan, the Chief Accountant, that the revised FPP had been generally implemented across Aberdeenshire's services, leading to reduced risk to the Council. Consideration of a generic application form for initial enquiries, or at least the adoption of application forms for the various types of funding available, to replace the administering of funds on an exchange of correspondence had still to be accomplished. Work to standardise the SLAs had also still to be concluded and the policy for voluntary organisations updated. The creation of a corporate database, to facilitate exchange of information across services of what applications had been received, processed, awarded or refused had still to be progressed.
- 3.16 Mr Brennan, the Chief Accountant, reported that Aberdeenshire Council had gone beyond the requirements in the Code, with the Council's Policy and Resources Committee considering the policy most recently in June, 2007. The principles were reiterated in the Council's Partnership and Joint Working Policies, agreed in 2007, encompassing clarity on use of funds to achieve agreed outcomes, financial risk, audit arrangements and with partnerships to be based on formal agreements and governance arrangements, all to be subject to a three year review.
- 3.17 Ms Milne, the Strategic Development Manager, (Community Care,) referred in her evidence to the current driver for the Social Work Service being the strategic document, "Changing Lives", requiring work with the voluntary sector as equal partners, ensuring that the partner groups were properly funded as an important consideration. This extended the FPP principles. A similar partnership focus could be seen in other working with ALEOs.

4. Is there duplication in the funding of groups?

- 4.1 One of the major triggers for the investigation was a concern that there might be duplication in funding across the various funding streams available from the Council to ALEOs. The Committee heard from Mr Brennan, the Chief Accountant, that although there was not always a formal method across services to trace and record funds awarded, the strategic overview by his service would flag up areas where the same group had received funding in the same year for the same project from two or more budget headings without each funder being aware of the other's contribution. The sole exception would be those organisations, receiving funding from either the Funding of Voluntary Social Work Organisations or Education, Leisure and Learning Grants Sub-Committees which were also entitled, by virtue of their charitable

status, to either mandatory or discretionary grant relief for non-domestic rates.

- 4.2 What could be observed, in Mr Brennan's experience, were packages of funding being agreed across services, or from different "pots" within the same service, for the same project or for distinct projects driven by the same organisation. The Head of Service, (Lifelong Learning and Leisure,) spoke of a further safeguard in the standard format of any reports to Committees, (Policy, Area or Grants Sub-Committee,) which required that the Finance Service be consulted on the recommendations. In the context of awarding funding, this consultation allowed officers who were generally aware of the overall distribution of funding to assess whether any duplication of funding was occurring.
- 4.3 Examples of how this could work were given by other witnesses. Ms Cox, Environment Planner, and Mr Lawrie, Scottish Natural Heritage, as representatives of the North East Scotland Local Biodiversity Partnership, itself founded on funding sources from the three local authorities, the Forestry Commission, Aberdeen University, Scottish Natural Heritage and the Royal Society for the Protection of Birds (RSPB), spoke of receiving core funding of £6000 towards the cost of employing an officer, and £1000 for project funding from the Council's Planning and Environmental Services budget. Project funding had also been received from Transportation and Infrastructure towards its project at Boddam, to establish an area of wildlife biodiversity beside the harbour, and for verge management work, labelled with a "pink butterfly".
- 4.4 In a similar vein, Ms Roberts, from Alzheimer's Scotland, reported receiving funding from the Council in different forms: SLA core funding of £255,800 towards mental health specific grant funding and core funding of the organisation, and additional spot purchased one-to-one support, funded at £13.20 per hour.
- 4.5 The Committee heard from the Area Managers that as the Council's relationships with external funding fell into a number of categories, it was possible that any one group or organisation may be involved with the Council in a variety of different aspects. This had already been explored by the Scrutiny and Audit Committee in its first investigation, in 2003, into the Council's approach to external funding, updated in 2005. (The report of these investigations can be found at www.aberdeenshire.gov.uk/about/scrutiny.asp) From that, it could be seen that a single organisation or project may qualify for different sources of funding, often at the same point, for different aspects of its work. Such complementary funding could be justified where what was to be delivered met the objectives of one or more Council service or function. This was the case for two projects reported by Mr Booth, the Head of Social Work (Child Care and Criminal Justice). The Traveller Education and Information Project was funded from Education, Learning and Leisure as well as from his own service, as the project

covered objectives of both services in matters of attainment and social inclusion. This group also received funding from Aberdeen City Council, as its geographical remit extended into the City. A second group were substance misuse projects, funded as a multi-agency initiative, with 50% funding coming from Lloyds TSB Voluntary funding.

- 4.6 The Buchan Development Partnership was another example. Mr White, the Buchan Area Manager, reported that core funding was received from the Chief Executive's service for community engagement work and for their handling of the Buchan Area Committee's Area Initiative Scheme. This allowed a degree of independence in operation and close contact in the development of community work. Ms Harper, Business and Community Support Manager, advised the Committee that the group also received finance from the Community Economic Development section, within the Transportation and Infrastructure Service, for their work in developing the social economy. In addition, European Union Objective 2 funding had been attained, targeting a specific geographic area of Buchan. Each of those funding streams interrelated, fitting with the overall Rural Partnerships' development strategy and forming a coherent whole.
- 4.7 The Area Manager, (Garioch,) Mr Fowell, spoke of the improvements which had been made in some services, which had reorganised their funding structures to simplify the process of funding external organisations. He referred to improvements from the early days of local government reorganisation, citing as an example the Grampian Racial Equality Council, (GREC,) which had originally sourced its funding from two different parts of the Council, but was now supported from a single service budget. Mr White, the Head of Policy, echoed this evidence, stressing the requirement for the Council both to have awareness of the major role which the voluntary sector played in supporting the work and aims of the Council, and the need to ensure that any requirements made of these partner bodies be managed with as light a touch as possible. He reported that the Scottish Council for Voluntary Organisations had assessed that voluntary organisations on average received only 26% of their income from the public sector. The Council had already agreed to review the current voluntary sector policy, to ensure, where possible, that such organisations had a single point of contact within the Council. It was also intended to review and simplify the grants schemes.
- 4.8 Although many of the projects funded under the Area Top-Up scheme were uniquely funded through this mechanism, Mr Brennan, the Chief Accountant, highlighted this as a funding source where the grant was likely to be complementary. Area Committees exercised discretion to fund local initiatives which may not score sufficiently high in strategic terms but which were deemed to be of local importance. Assurances were given by the Area Managers and officers from several services that projects were not automatically ruled out from other available funding sources because of eligibility for Area Top-Up grant. Mr

Fowell, the Garioch Area Manager, stressed that there would be discussion with the relevant grant officers on other funding options to determine which would be the most appropriate to pursue, or which would be most likely to be successful.

- 4.9 There were examples where grants had been made from the Area Top-Up budget to complete a funding package, allowing a project to proceed. Mr White, the Area Manager, (Buchan,) spoke of a small grant and design session run across several settlements, supported through the Area Top-Up funds. This had prompted a local group of volunteers to access a host of external grants and local community funds towards the installation of a play park at Longside. The project work had been assisted by the Outdoor Services section of Transportation and Infrastructure and, in the end, a £110,000 play park had been produced at a cost of around £30,000 to Aberdeenshire Council. Locally managed, the play park seemed to be respected by the local community.
- 4.10 A smaller source of funding remained in some areas through the Common Good Funds, (CGF,) inherited from previous Councils. The Committee noted a report submitted to the Policy and Resources Committee of 8 June, 2006 which gave a snapshot of the operation of the CGFs. Seventeen in number, with a total market value of £1.5 million, (as at 31 March, 2005,) these funds were to be distributed for the benefit of the whole community resident within the geographic boundaries of the relevant former burghs of the former district and regional councils, prior to the 1996 reorganisation of Local Government. There was an element of discretion in the interpretation of this benefit, as, in some instances grants were made to particular groups, rather than the community as a whole; the wider community accruing a secondary benefit of indirect positive impact. Grants from this source tended to be sporadic, with some funds showing little activity on an annual basis.
- 4.11 The Gordon Leisure Projects Trust was cited by Mr Brennan, the Chief Accountant, as a very distinct source of funding which had been used to grant aid various community projects within the boundaries of the former Gordon District Council. Receiving no new Council funding since 1996, the Trust, composed of representative local councillors and external trustees, now disbursed awards of up to £1000 funded from interest generated on its residual capital. In recent years an average of two or three grants had been made per annum, sometimes to bodies which had also been funded directly by Aberdeenshire Council.
- 4.12 In contrast to the Gordon Leisure Projects Trust, which remained as a distributor of funds, the Committee heard from representatives of the Bennachie Centre Trust, also established by Gordon District Council but in partnership with Scottish Natural Heritage, Grampian Enterprise Ltd and the Baillies of Bennachie. European funding had been secured for the facility, with contributions of rental of land from Forestry

Enterprise. Revenue costs were largely funded from within the Planning and Environmental Services' Rangers budget, itself partially funded by Scottish Natural Heritage. The Committee heard from Mr Millar, Chair to the Trust and from Mr Gordon, Head Ranger that the centre's running costs were low, at about £3-4,000 per annum. The recent upgrading works to interpretation at the centre had been completed by accessing funds which the Trust could attract as an entity separate from the Council.

- 4.13 Landfill Tax credits were reported by Mr Mackie, the Environment Manager, Planning and Environmental Services, as an additional source of funding which may be available through Aberdeenshire Council. Funded from the tax which the Council had to pay as the operator of landfill sites, it was very specific in terms of the locations which it covered, (within 10 miles of the landfill site for which tax had been paid by the authority,) and was further constrained by annuality in its accounting – funds accrued had to be spent within a single financial year. This made it very difficult for people to claim, especially as they needed to lever in other funding. To help ease this situation, the money was put into a trust (SCORE environment) for holding prior to eventual distribution. This source of funding was expected to come to an end with the closure of the Council's last landfill site at the end of 2007. Officers reported that it was not always clear from applicants whether additional sources of funding had been sought, and achieved, from the Council.
- 4.14 The Head of Policy, Mr White, reported his role, on behalf of the Community Planning Partnership, in the administration of a grants scheme funded by Shell UK, which sought to allow groups to take part in community planning. He believed that even modest grants could make a great deal of difference to a small group but expressed concerns that it could involve a disproportionate amount of paperwork for a small amount of money.
- 4.15 It was stressed by many of the witnesses, including the Area Managers, (Buchan and Garioch,) (Messrs White and Fowell,) that the Council's contribution to the "house of cards" type funding arrangements could either be as the building block at the base of the pyramid, or alternately the funder of last resort to complete a composite funding package. The Council's role in accessing additional funding was one of growing importance, particularly as it was increasingly unlikely that Aberdeenshire Council would have the resources to resource major initiatives single-handedly.

5. Is there duplication in the groups funded?

- 5.1 Another area of potential duplication which the Committee was interested to explore was whether the Council was funding multiple groups in one location which performed the same function in that

locality. This was linked to the question of whether funds available were being evenly distributed through out Aberdeenshire.

- 5.2 A statement repeatedly heard by the Committee in evidence gathering sessions was that “one size did not fit all”. In the context of any consideration of sharing funding equably, it was reported by, amongst others, the Area Manager, (Garioch,) Mr Fowell that the distribution of funds could not be allocated on a pro-rata basis across the shire. Many groups or projects, such as Gordon Rural Action, (GRA,) were directly rooted in community initiatives. GRA was a Council for Voluntary Services organisation, an advice and information centre covering primarily the area of the former Gordon District Council. The Committee heard from Mr Busson, its Advice and Information Manager and Ms Kinsey, one of its Directors, that it had begun 26 years ago as a grass roots initiative in Huntly. It generated a substantial part of its income from a charity shop in the town.
- 5.3 The staff of Education, Learning and Leisure who gave evidence agreed that the distribution of grants was not, and could not be, equal across the six areas. Mr Stone, Head of Lifelong Learning and Leisure, advised the Committee that the Service responded to applications as they came in, rather than looking for a suitable project to be sponsored to a specific sum in each of the areas. In terms of the capital grants scheme, only a few projects could be supported per year, but officers believed that, over the years, there would have been a reasonable spread across Aberdeenshire.
- 5.4 A similar response was received from representatives of Planning and Environmental Service. Projects were, in officers’ experience, most successful in areas where there was a strong community interest, with groups working to deliver their projects. The role of the Aberdeenshire Towns Partnership in raising expectations and empowerment in communities was cited as a good example of a community led initiative. Mr Watt, Team Leader, (Built Heritage and Culture,) suggested that without community support, it would be hard to nurture a project in any specified location, making an equal share of funds pro rata across the six areas almost impossible to achieve.
- 5.5 Reference was made by Ms Milne, the Strategic Development Manager, (Community Care,) to the continued need to maintain direct support to a number of independent advice centres in Aberdeenshire, in addition to funding Gordon Rural Action as an umbrella body for some others. The overarching group was supported because it gave a more consistent service. It was suggested that this was not duplication but a means of enhancing what the individual services could do, improving quality across Aberdeenshire; a case of the sum of the whole being greater than the parts.
- 5.6 The Committee was advised of instances where officers, in considering the applications for funding, had considered that two or more groups might be sharing the same purpose and could usefully merge. Ms

Ross, Accountant, (Social Work,) referred to the merging of Albyn House and the Alcohol Advisory and Counselling Service to become a single organisation, Alcohol Support, part funded by Aberdeenshire. While this merger had gone ahead, Mr Douglas, Support Services Manager, reported to the Committee that other suggestions for the creation of umbrella groups, (with common purposes which followed the Council's strategic aims,) had not, as the organisations concerned were unwilling to merge.

- 5.7 The Area Managers, (Buchan and Garioch,) (Messrs White and Fowell,) agreed that there may be a perception of duplication in the funding of particular aspects of the work of the various groups with community engagement remits. Aberdeenshire Council provided money, through its Social Work service, to the local Council for Voluntary Service, BRIDGE, in addition to that provided through the Rural Partnerships. BRIDGE specialised in targeting voluntary bodies, and, in particular, communities of interest, as opposed to geographic communities. Whilst greater clarity could be achieved by distinguishing between the two interrelated spheres of community engagement activity, there was no evidence of duplication in measured outcomes.
- 5.8 A further caution against an over simplistic assessment of the need to rationalise groups was given by Mr Fowell, the Area Manager, (Garioch). He believed that there may be very good reasons for retaining the various groups. There were three Councils for Voluntary Services (CVS) to be found in Aberdeenshire which could, arguably, be incorporated into one. However Mr Fowell considered that there was value in the CVSs being local. With their own management teams, they could focus on the specific requirements of a smaller geographic area and be able to feed back into their local communities where they would have strong links and connections. The CVSs already joined together for training and information sharing which was useful, but to totally combine them might risk losing their community focus.
- 5.9 As regards more than one partnership or project working in an area, the Committee were advised by Ms Aylett of the Marr Area Partnership that although the titles of groups such as the Mearns Area Project, the Mearns Area Partnership and the Kincardine and Mearns Area Partnership would seem to indicate overlaps, in reality this was not duplication. The Mearns Area Project had been more specifically based around education, whilst the Mearns Area Partnership was more wide-ranging. The Kincardine and Mearns Area Partnership pursued initiatives relevant to its specific area. The various groups were complementary and were in constant dialogue to share information and ensure that there were no overlaps.

Ms Brodie, of the Buchan Development Partnership, confirmed that things were similar in Buchan, with the various groups covering gaps and working in partnership. Regular meetings and the exchange of information and experiences on a daily basis allowed the sharing of

good practice. If an enquiry came to one of the groups which was felt would be more appropriate for another to progress, the matter would be passed to the relevant group. Awareness of the differing roles was essential to this approach, which experience had shown to work well.

The work of the rural partnerships was also reported to complement the Council's own Community Planning strategy. Mrs Aylett, of the Marr Area Partnership, suggested that the rural partnerships, pre-dating the statutory establishment of a responsible body, were, in effect, community planning in action. The Council's development of its formal Community Planning on an area basis had benefitted from the fact that several rural partnerships had already been operating for some years. Mrs Aylett felt that a lot of the agencies had prospered from the good community engagement which had been established.

- 5.10 The Business and Community Support Manager, Transportation and Infrastructure, Ms Harper, reported that Rural Partnerships were funded by the Council in different ways. Some core funding for the Partnerships' work was made available jointly with Scottish Enterprise Grampian on a fifty: fifty basis. In 2007, eight partnerships were funded. The Council's Infrastructure Services Committee had agreed an additional £90,000 of funding, with £48,000 released to the Area Managers to distribute, and £16,000 to the Community Asset fund, established to assist the groups to create their own earned income streams. The remainder had been divided amongst groups which had lost previous support from European Union funding.

6. Is there duplication of effort?

- 6.1 From officers across all the services and applicants alike, evidence was heard that there were instances where effort might be seen to be duplicated in the processing of applications for financial assistance. One very clear example would occur when an organisation, having secured funding from more than one source within the Council, was required to present specific documentation, (such as accounts or constitution,) on the same date to different points. Often photocopies were not acceptable, making it impossible to meet the reporting requirements of several funders simultaneously. It was suggested that the creation and implementation of a corporate database of funds awarded could contain a "check-list" of key documents, required in terms of the Following the Public Pound and Partnership Working policies. This would allow the information to be presented and approved at a single point, and subsequently be available to any other interested service with less effort required from the applicant. This would also allow a reduction in staff processing time, removing the need for each individual funder to check details which may have already been approved elsewhere within the Council.

- 6.2 It was suggested by those officers with responsibility for administering grants, including Ms Ross, Accountant, (Social Work,) that were such a database established, the time taken to process applications could be shortened for existing recipients of funding whose details had already been approved and recorded in the system.
- 6.3 Whilst evidence was given by officers of all the relevant council services, including the Area Managers, (Buchan and Garioch,) (Messrs White and Fowell,) and Mr Taylor, the Grants and Outdoor Activities Officer, of close contact and coordination between funding sections within the Council, there was little information about unsuccessful applications, apart from those which were refused at a Committee or Sub-Committee. Ms Birnie and Mr Watt, Team Leaders, (Natural Heritage and Built Heritage and Culture, respectively,) expressed concern that opportunities were being lost or initiatives failing at the pre-application stage if the individual officer who was originally contacted were unaware of the total range of funding options which may be available. Officers believed that the unstructured referral process which currently existed could result in duplicated effort for Council staff in repeat handing and also for the applicants in rehearsing their proposal on several occasions to different officers.
- 6.4 The expertise of officers in key funding roles was not in dispute – the Committee heard tributes paid to the valuable assistance offered by officers to the Kinnellar Village Hall project and Gallowhill Playing Field Project. Ms Lamb, of Kinnellar Village Hall, suggested that the depth of knowledge gathered by a single officer's experience could be of great assistance, but the sharing of that information on a broader basis may be prudent. A similar theme was heard from Mr Millar, Chair of the Bennachie Centre Trust, who felt that the support received from the Garioch Area Manager and Committee Officer had been critical for their continued operation. This was cited as an example of the "in-kind" support and expertise from which other community and project groups within Aberdeenshire could benefit.
- 6.5 The Committee heard from Mr Douglas, Support Services Manager, and Ms Ross, Accountant, (Social Work,) that there was duplication in the current system of processing awards from the Grants to Voluntary Organisations Sub-Committee, which allocated £640,000 to various voluntary groups. These applications currently required to be considered by the six Area Committees prior to a decision being taken by the Sub-Committee on the disbursement of funding across Aberdeenshire. It was felt that there was little added benefit in the consideration by the Area Committees, which may merely result in support being expressed for applicants local to each area, without setting these in the wider strategic context. The current process required considerable staff time in the preparation of detailed reports and could impact on the timetable for approval.

- 6.6 Messrs Fowell and White, the Area Managers, (Garioch and Buchan,) suggested that on occasion the amount of work done by staff, including in preparing reports to the relevant committee for grant award could, if costed, be far in excess of any financial support which was subsequently given. Any reduction in effort required would be beneficial.
- 6.7 In terms of effort necessary from applicants, the Committee were advised by Ms Ross, Accountant, (Social Work,) that although there was not an application form for grant aid from that service, there was a standard process of correspondence with each applicant which sought to collect the relevant information. This information was then extracted by officers to inform the reports to the Funding of Voluntary Organisations Social Work Sub-Committee. Although this system had operated efficiently to date, there may be delays inherent in its processes. The issue of a common application form was a matter which had been explored in the Council's previous discussions on external funding and associated policies, but had not yet been established.

7. Are there efficiencies to be found in the administration of the funding?

7.1 Service Level Agreements

- 7.1.1 The Committee heard from Mr Booth, Head of Social Work, (Childcare and Criminal Justice), Mr Douglas, Support Services Manager, and Ms Milne, Strategic Development Manager, (Community Care) about recent reviews of the funding offered to outside bodies. Whilst previously a large number of awards made by this service had been processed as grant applications, there had been a growing realisation that some bodies dependent on annual grant were actually providing a service on the Council's behalf and would need financial support to continue as long as that service was to be provided. On this basis, from 2001 the uncertainty of year-on-year grant application had been replaced by Service Level Agreements for many of the groups. This was, in effect, the commissioning of services, which left a core of voluntary organisations to be considered by the Funding of Voluntary Organisation Sub-Committee, all of which could operate on an annual basis.
- 7.1.2 Mr Fowell, the Garioch Area Manager, reported that the benefits of this move to SLAs, which may allow better and more secure future budget forecasting for the outside bodies, were further improved by the move to 3 year budgeting. This had clarified commitments for the Council itself and gave a clearer indication of continued support to those being funded.
- 7.1.3 Officers from all services reported that a list of expectations could be agreed and costed in SLAs, allowing the subsequent monitoring of

outcomes to be more formal and constructive. It was felt that having detailed outcomes also made it easier to relate the funds given to the expected aims required by the principles of Following the Public Pound. In addition, as in many instances the awards were regular and recurring, it clarified which applications were for grants for new or project work and which were revenue support for organisations delivering services for which alternative provision, perhaps directly by the Council, would be required if the groups were to fold.

- 7.1.4 From the external organisation's point of view, greater security in terms of future finance could be achieved, so long as the service achieved its agreed standard. This view was expressed by the representatives of such diverse bodies as the North East Scotland Preservation Trust and Gordon Rural Action. The funds could be released on a regular, phased basis, which was beneficial compared to the delays which may be inherent in an annual application process, or the need to submit separate invoices for each section of work undertaken on the Council's behalf.
- 7.1.5 Ms Roberts, of Alzheimer's Scotland, spoke of recent improvements to the relationship with funders and welcomed the opportunities afforded by her group's Service Level Agreement with Aberdeenshire. She saw the liaison resulting from the agreement as valuable. In the 2007/08 financial year, regular contact and discussion with the relevant Head of Service had identified additional resources to be released to assist the group achieve what was expected of it.
- 7.1.6 Support for SLAs was also heard from Mr White, the Head of Policy, whose role included support for voluntary organisations. The policy on voluntary organisations was to be reviewed in consultation with the relevant groups, and would have the issue of Service Level Agreements at its core. Mr White believed that the importance of the SLAs was not necessarily in the written detail, but in the contact and discussion needed to frame the agreement.
- 7.1.7 From the papers for the Education, Leisure and Learning Grants Sub-Committee, it was clear that many of the applicants for annual funding might be considered in a similar way to some of the organisations, previously funded by Social Work's Funding for Voluntary Organisations Sub-Committee, which were now funded through SLAs. Although less obviously providing a service which otherwise the Council might require to undertake, some applications, particularly for running costs of sports centres or other community projects, were for ongoing operational support. This meant that much of the available budget was expended on keeping existing projects going. Less funding was available for new or developmental projects, making it hard for the Service to promote its grant schemes.
- 7.1.8 Mr Stone, Head of Lifelong Learning and Leisure, advised the Committee that where major leisure or recreational projects were

proposed, spanning several budget years, approval in one year was often succeeded, not by guaranteed funding for subsequent years, but an “in principle” decision. This effectively limited the available options of the future year’s consideration by making advance allocations in the next year’s budget for projects approved in the current year. This amplified the spiral of diminishing resources and competing applications.

- 7.1.9 From the representatives of Gordon Rural Action, (GRA,) more feedback was requested on the monitoring forms which were required under the Service Level Agreements. Ms Kinsey felt that the completion of the evaluation and monitoring forms was good practice, but that these could be used more effectively by the Council to provide feedback to the outside agencies on the work which was being undertaken. It was wasted effort to complete the submissions if these did not trigger interaction with the contact officers. Mrs Kinsey suggested that regular meetings should be held in order to discuss what was expected from either side and to monitor the work. Such meetings would allow the outside body to understand the problems and issues facing the Council which might impact on the relationship and would also allow the Council to guide the outside body to areas where performance could be improved.

7.2 Other Trusts

- 7.2.1 The Committee heard from the Chief Accountant, Mr Brennan, the Legal Manager, Mr Shaw, and the Area Managers, (Buchan and Garioch,) (Messrs White and Fowell,) of the various types of funding streams within the Council’s responsibility. This included the plethora of small trust funds inherited from previous local authorities and the creation, in other parts of Scotland, of Community Trusts to coordinate available resources on a geographically specific basis.
- 7.2.2 The costs to the Council in supporting small trusts was cited by Mr Brennan, the Chief Accountant, who reported that whilst a standardised charge, applied across all the trusts, may seem out of proportion to the actual level of transactions or money disbursed in any financial year, the charges did not cover the Council’s administrative costs.
- 7.2.3 The recent revision of the legislation governing the operation of the Office of the Scottish Charity Regulator, (OSCR,) was suggested to the Committee by the Legal Manager as an interesting development which might be of assistance in improving the efficiency of the myriad small trusts, often archaic in remit and of reducing relevance to modern circumstances. Whereas previously a change in constitution or purpose would require to be approved by the Lord Advocate, or considered in the Court of Session, a lengthy and potentially costly process, the terms of sections 39-43 of the Charities and Trustee Investment (Scotland) Act 2005 allowed organisations to seek approval for changes from the Charity Regulator. These regulations would not only allow a change of purpose in out-dated functions, such as the

various provisions for the poor, or widows, which had been overtaken by the development of other mechanisms within society, but would also allow consideration of amalgamations with other bodies of shared purpose, or the transfer of property to another body.

7.2.5 The establishment of Community Trusts was also raised. The Committee heard from the Legal Manager, Mr Shaw, and the Area Manager, (Buchan,) Mr White, that these were bodies separate from the Council which had not only been able to access funding streams not available to the authority but also would allow support to be secured from private companies, particularly those taking more social and environmental responsibility for their actions. In addition, such schemes could have a primary benefit in terms of local ownership and the development of capacity within community groups. This echoed responses received from several officers that the best larger projects to date within Aberdeenshire were those which were very heavily influenced by professional skills available within the community and received support from a wide range of users from the community.

7.2.6 Mr White, the Buchan Area Manager, spoke of discussions with BP and the Scottish and Southern Energy Company on potential community trusts relating to the proposed carbon capture project at Peterhead. This would have yielded funds of many millions of pounds over the lifetime of the project, releasing resources to practical enabling works in the general spheres of enterprise, energy and education. Whilst commending this, Mr White also spoke of potential drawbacks of such a mechanism; once original levels of support had led to the creation of a facility or asset, there was no guarantee that the required level of support would be ongoing. Whilst similar community funds could be seen to be particularly effective in the Orkney and Shetland islands which had benefitted greatly from oil related investment, it was hard to identify such long term external support in Aberdeenshire. In addition, even if one area were able to sustain a Community Trust of this kind, for most of Aberdeenshire, this would not be possible.

8. How do other public sector bodies manage their funding?

8.1 Processes and staff support

8.1.1 From Mr Stone, Head of Lifelong Learning and Leisure, and Mr Taylor, Grants and Outdoor Activities Officer, and from Ms Smith, External Funding Manager, Angus Council, the Committee was advised of the work of an inter-authority officer group, Scottish Lottery Officers Group (SLOG). Consisting of officers from Scottish local authorities with responsibility for matters concerning the National Lottery and other external funding sources, the group had been established to “provide a collective interface between Association member bodies, Lottery Distributors and other match funding organisations, and to operate as

an information and benchmarking forum"¹.. It sought to share experiences and good practice across authorities.

- 8.1.2 The work of the Scottish Lottery Officers Group was also referred to by Ms Smith, the External Funding Manager, Angus Council, who provided the Committee with a copy of the 2004 External Funding Benchmarking Exercise. This document referred to the adoption of differing systems and approaches to the development of external funding within Scottish local authorities; some having integrated units dealing with both domestic external funding sources and European funding; some with a single officer unit; and others with no designated funding units at all, with separate officers in different departments. Aberdeenshire Council was not alone in its current structures.
- 8.1.3 In its benchmarking exercise, the SLOG group had noted that allocations of funding bore no direct relation to the size or make up of the funding function in each authority and that, for many councils, there had been no recent review of how delivery of funds or funding advice should be undertaken.
- 8.1.4 Mr Taylor, the Grants and Outdoor Activities Officer, spoke of the Scottish Government's change in its approach to grant funding. The intention was to abolish the various grant categories, move to a single application form and have one office dealing with applications. This would operate as a clearing house, passing the requests for financial assistance to the relevant part of the organisation. Again, it was proposed to alter the focus towards defined outcomes which fitted the government's vision. Mr Taylor reported that the government had suggested that local authorities consider a similar way of working.
- 8.1.5 From the written submission from Ms McGarry, the Administration Manager, East Ayrshire Council, the Committee learnt that that Council's review of its funding structures had led to a single point being established for all grant applications to the authority. These applications were then routed to the appropriate officer for processing, so no expertise was lost by the use of a single portal within corporate services. Ms McGarry also made reference to the overview which could be achieved in terms of recording enquiries and channelling requests centrally. She reported that the system appeared very robust and was proving fit for purpose; the sole area which might benefit from further consideration was the funding database. Containing details of approximately 1200 groups, this had been developed as an in-house system to log organisations receiving grant funding, amounts received and dates decisions were taken, but whilst more consistent and corporately available information was being captured, the database may be improved to generate information reports more simply.

¹ Scottish Lottery Officers Group External Funding Benchmarking Exercise, August, 2004, page 3.

8.1.6 From Ms Smith, the External Funding Manager, Angus Council, the Committee heard of a major shift which had been undertaken in respect of the award of grants in Angus. When the service had been reviewed, it had moved to a central grants scheme with a single application form and no deadlines for submission. More formal feedback had been introduced, requiring those awarded funds to submit a year-end monitoring form, which identified how the money had been spent and what had been achieved. In addition to having money returned as unspent from some groups, it seemed that many repeat applicants had not applied, suggesting that they no longer required funding in this way.

8.2 Information sharing – web-pages and online applications

8.2.1 Mr Shortell, Accounts Manager, GRANTfinder, gave a demonstration to the Committee of the system to which Aberdeenshire Council, through its Education, Learning and Leisure Service, currently subscribed. He highlighted the management reports which could be generated, including the recording of the number and identity of those using the tool to search for funds. This system was already available to all officers and councillors of Aberdeenshire Council, allowing access to information on UK and EU funding, corporate sponsorship, and central and local government schemes. Training had recently been arranged for all Aberdeenshire Councillors on how to use the systems to assist local groups in identifying possible funding. Kept up to date by a team of 15 dedicated researchers, Mr Shortell suggested that the system may be of use to the Council in recording the number of enquiries, identifying the type of funding sought and informing a database of trend and interest. It also issued, to those on its database, newsflashes which were geographically based, indicating deadlines or changes to schemes. In addition to this in-house use, the application's use as GRANTnet, linked through the Council's website to the public of Aberdeenshire, provided an internet portal for communities to research grants themselves. If more detailed information were required, the groups could come to the Council to access GRANTfinder. Mr Shortell spoke of a further linked package, GRANTtracker, which his company provided. This allowed projects to be input and tracked, with a claims module which could give a picture of funding within the Council at any given point.

8.2.2 The GRANTfinder system was discussed by Mr Watt, the Team Leader, (Built Heritage and Culture,) who reported that his experience of using the GRANTfinder system to provide information to help groups had been that it had involved a great deal of work, he did not access the information on a regular basis. He believed that the creation of a central point would be useful and would be good value for money, in attracting additional funds through growing expertise. Mr Watt suggested that opportunities were being missed because of a lack of information about what grant assistance may be available. It was also suggested that any system of information would only be effective if it were kept up-to-date. This again would point towards the creation of a

dedicated contact with specialist knowledge, not replacing the more detailed knowledge of individual grants which may already exist within specific areas of the Council. Mr Mackie, the Environment Manager, agreed, suggesting that in his experience of dealing with a number of grants schemes, keeping up with the frequent changing of rules was a major problem.

- 8.2.3 Ms Milne, the Strategic Development Manager, Community Care, referred to a parallel system, Funderfinder. Used by many voluntary agencies to identify sources of potential financial support, social work staff expertise in this area had also been built up, providing information to practitioners and others. Ms Milne thought that this system was of benefit.
- 8.2.4 In considering the information which Aberdeenshire Council makes available on opportunities for funding which may be available to its communities, the Committee looked at the Council's web-pages relating to funding, and spent time browsing other funding organisations' websites. Mr White, the Head of Policy, suggested that whilst there were no obvious examples which would seem to be directly comparable, there were different approaches to presentation which might be worth considering.
- 8.2.5 Mr Ross, the Project Leader/ Applications Analyst, spoke of the current information on funding available in the Council's web pages. Although labelled as a corporate page, in reality the information it provided focused mainly on the grants available through the Education, Learning and Leisure Service. In terms of content, there were no restrictions on the current capacity of the Council's website which would hinder any future augmentation of the funding section. The Grants and Outdoor Activities Officer, Mr Taylor, confirmed that his post had the designated authority to update the sections on funding but reported that there was no remit for him to include information on other funding which might be available within the Council. He indicated that it was often difficult to keep the information on the web-pages up-to-date.
- 8.2.6 The Committee was advised by the Mr Kenyon, the European Programmes Coordinator that, together with his colleague, Mr Brebner, the European Services Executive, he had added guidance and information on European funding onto Arcadia, for use by Council staff. The same information had been included on the Council's website, a newsletter briefing had been issued and seminars run on the topic. These methods had been effective in raising awareness of the potential problems which may arise on European funded projects.
- 8.2.7 The Area Manager, (Garioch,) Mr Fowell, stressed the importance of the web pages as a means of communication with the people of Aberdeenshire. He believed that it was important that a directory of the available funding should be created, to let people know where they could get information without time being wasted in search.

- 8.2.8 Mr White, the Area Manager, (Buchan,) suggested that it would be helpful to use the funding pages on the Council's internet site to give details of awards given or refused. This non-confidential information would serve two purposes: it would give potential applicants a sense of what had previously been supported, and also allow the Council to use another medium to make information on their funding transparent. This latter point was particularly valid in terms of the Following the Public Pound.
- 8.2.9 The Committee considered the processes which were applied by other funders; those of the large organisations often took a long time to process and could be overly bureaucratic. Mr Stone, the Head of Lifelong Learning and Leisure, suggested that there was no best practice from which the Council could take a straight lift. Grants dispersed by national bodies tended in general to be for large sums, with lengthy and often complex application procedures. Previous consideration by the Council of the issue of external funding had encouraged moves to simplify the award system and make it more user-friendly, whilst still applying the correct level of security and ensuring best value. Mr Taylor, the Grants and Outdoor Activities Officer, reported that, in his experience of working with national grants bodies, the Awards for All site² was the most user-friendly, with a simple and accessible layout of information.
- 8.2.10 The Committee's web browsing of the funding pages of other local authorities identified great diversity not only in the funding information which they contained, but also in their references to the sharing of that information throughout the community. Some Councils, such as Perth and Kinross and Angus Councils, carried out funding surgeries for community groups, where up-to-date information and best practice or the sharing of experiences of other groups could be made available. Ms Smith, the External Funding Manager, Angus Council, spoke of initial concerns that having a centralised unit would disadvantage the wider community from localised access. However she reported that the practice of holding funding surgeries in the smaller communities had addressed this. Email was used as a fast and effective way to get new or updated information to community groups on matters such as grant deadlines or changes in operating procedures, backed up by the production of a regular newsletter, available on the website for casual browsers, as well as being emailed to regular contacts. Using the facilities afforded by modern technology allowed for a more frequent updating and sharing of information.
- 8.2.11 Mr White, the Area Manager, (Buchan,) spoke of informal sessions held in Buchan to share ideas on community development. Sometimes the Buchan Development Partnership's quarterly fora were used as conduits. Mr White felt that more could be done to spread best practice on a community-by-community basis. Ms Aylett, of the Marr

² <http://www.awardsforall.org.uk>

Area Partnership, and Ms Brodie, of the Buchan Development Partnership, suggested that more use could be made of their groups to share information and experience; they felt that there was no need to create new structures as delivery mechanisms, when groups in constant engagement with the communities already existed.

8.2.12 Support for successful applicants towards project management was an issue which was raised. Ms Lamb, of the Kinnellar Village Hall project, suggested that, at the outset, a community organisation may not be fully aware of the scope and scale of their obligations for issues such as employment legislation, VAT, or health and safety issues, in addition to the management of any construction involved. She suggested that for a committee of community volunteers, who may not be aware of the issues surrounding project management, to move from a position as keyholders, opening and closing a hall, to running a community facility, 24 hours a day, 7 days a week, was a huge learning curve. Having been through the process successfully, Mrs Lamb wondered if her group's experience could be shared with groups beginning similar ventures. This need for additional staff support, during and beyond the developmental stages of a project, was also cited by Ms Harper, Business and Community Support Manager.

9 CONCLUSIONS AND RECOMMENDATIONS

- 9.1 In considering all the submissions which had been provided to it, the Committee is satisfied that there is no evidence of duplicated funding. There are examples where more than one service, or different aspects of the same service, supported a single project or organisation, but this is found mainly to be complementary funding or where mandatory or discretionary non-domestic rates relief could be provided to the applicant because of its charitable status.
- 9.2 Whilst contact and checking between the various Council officers in processing the applications for financial assistance appeared informal and limited, the Committee feels that no assurance could be given that duplication would be totally eliminated in this way. With Finance as the only service which could obtain a clear overview of which groups had received funding, of what amount and for what purpose, the reliance placed on the applicants themselves to advise the authority of other applications, made and successful, needed to work. The Committee believes that the move to establish a corporate database, previously agreed, to be available across the services of the Council, should be pursued as a matter of urgency. Such a formal listing of applicants for funding would be a useful record for staff checking further requests for funding, or requests for complementary funding. By collating who and what was being funded, assurance would be given against future duplication.
- 9.3 The efforts required for the creation of such a database is acknowledged to be an additional workload to staff, but the Committee believes that the benefits and efficiencies which would accrue from a corporate system would offset this.
- 9.4 The Committee feels that any database established should be accessed only by officers of the Council. Relevant extracts could be amended for display on the Council's web-pages as a source of information on the type and range of bodies or projects which had received Council funding. This would also make the Council's funding more publicly accessible, which was to be commended in terms of the Following the Public Pound policy. The increased public scrutiny which this would allow would also help to ensure that funding was disbursed equitably and fairly.
- 9.5 In this way, potential applicants could see the type of projects which had previously been successful and this information may be useful to them in shaping their own projects. It might also be possible for information on successful projects to be extracted from the database and used to illustrate to new applicants what had worked for others.
- 9.6 The Committee also considers that whilst there can not be equality in sharing out the funding available across the geographic area of Aberdeenshire, every effort is being made to ensure equal

opportunities to access the funding available. The Council should strive for equality of access, acknowledging that a “pro-rata” distribution of funds is not possible, realistic or appropriate. Money can not be diverted to areas where no real projects exist, but resources should be concentrated where the communities or projects are ready. One size does not fit all, and the diversity of the communities and their needs, and a valuing of what works best in each locality, should be pursued to encourage initiative.

- 9.7 More should be done to make information sharing on funding opportunities within the Council more effective, and the creation of the Councillors’ Arcadia is seen as an ideal tool for increasing Members’ awareness of what could, and had, been done at a more local level.
- 9.8 In terms of specific improvements, there are several areas which the Committee feels should be considered.

Database

In the creation of an officer database, already agreed, there should be the facility for an organisation to have its constitution and accounts checked by one officer, then that information made available to other funding streams which required the same information. This would save double handing by both Council staff and applicants alike.

The database should also be used to record feedback on projects when approved, in order that progress might be tracked. This would allow both the ongoing monitoring of projects to be tracked and also facilitate the early identification of common trends of concern.

It is recommended that a corporate database be established as soon as is possible to record, chart and monitor the grant award process.

Application form

The Committee feels that the lack of a single application form is a second area of duplicated effort. This initially impacts on the applicants for funding, who may have additional work in following the different processes required by the various services. Also, for those services which obtain the information needed to assess a claim for funding by correspondence, there could be both a delay in timescale and double handling by staff in processing the application. The Committee notes that the creation of a single application form had already been approved in principle and agrees that this be pursued as a matter of urgency. In addition to removing duplication of effort, this would also lead to greater clarity.

The revised application form should require applicants to highlight other sources of funding which had been sought and/or awarded and also indicate how much money – or support in kind –the applicants

themselves were to contribute to the project. Unless specifically contra-indicated by commercial or other confidentiality, applicants should be aware that the information may be used by the Council to highlight funding.

The creation of a single application form would not negate the need for separate consideration of the request by each relevant service but would remove confusion.

The revised application form would require some consideration of how judgement would be made on the issue of prudential financial management or the accruing of funds. It is felt that it is necessary to clarify the purpose and timescale of any contingency savings and acknowledge the requirement for projects to retain a working capital appropriate to their needs.

It is recommended that a single application form be created, on the basis listed above, and used across all services for initial consideration of grant.

Reports to Committees and Sub-Committees

While recognising the principle of decentralising decision-making, the Committee feels that there may be little added value in having the Area Committees consider applications for funding prior to their determination by the Funding for Voluntary Organisations Sub-Committee. Whilst recognising the reasons this is done, this seems to be duplicated effort for staff, generating a huge workload and potentially slowing the grant award process. It is felt that each Area Committee would inevitably support those applications local to their area and have no means to provide the strategic overview which is required.

In addition, the Committee believes that the volume of detail required to be provided in the reports to the Funding for Voluntary Organisations Sub-Committee is excessive. A more standardised approach across the two grants awarding sub-committees would be of benefit, as would the extension of the approach to reports on funding considered by Policy Committees. Additional information could be provided in background papers, available for consultation but not copied and issued to Members.

It is recommended that reports to all Committees and Sub-Committees dealing with funding applications be standardised and follow the same reporting process.

Current Grant Systems

The Committee feels the current review of the Grants system, by the Education, Learning and Leisure Grants Sub-Committee, to be of great

value. Without prejudicing the outcome of that review, there are recommendations which could be made which it is believed would be helpful.

The current Education, Learning and Leisure grants system should have its established categories revised and rationalised. A more flexible system would allow the better assurance of appropriate funding being awarded, without having to limit awards to the constraints of pre-determined categories. Less restrictions and fewer forward advance commitment of funding would also allow the Council to be more responsive to opportunities.

Consideration should also be given to removing from annual grant award process those repeat applications which were effectively for revenue support to established projects. Where these are establishments which the Council would otherwise wish to support, such as the various sports trusts and community facilities in areas where no direct provision had been made by the Council, the creation of Service Level Agreements may be appropriate. It may be that on occasion there would be a need to have a phased, supported withdrawal of funding, including assistance to identify replacement sources or for the projects to become self financing. This would be necessary to allow new projects to be considered for funding, increasingly difficult where often 60-70% of funding is used to support ongoing projects.

The Committee feels that, in making future awards to assist in the initial creation of a facility, care should be taken to establish whether or not the longer term running costs, beyond developmental stages, should be funded or not. If it were not possible to guarantee continued financial support, any commitment made should be agreed on the basis of increasing self sufficiency and reducing Council support. Reliance on Council funding beyond an agreed development phase should be discouraged.

It is recommended that the existing system of grants be revised as detailed above.

Service Level Agreements (SLAs)

The Committee welcomes the increased use of Service Level Agreements across the various Council Services. These are to be commended as good practice, but more use should be made of them as a channel for ongoing communication and feedback between funder and recipient. The identification of a named contact familiar with the terms of the SLA and able to monitor and report back to recipients any need for amendment, is particularly valuable. It is believed that regular dialogue allows for greater understanding of issues on both sides.

It is noted that a review of the current policy for the voluntary sector is planned and the Committee recommend that this be progressed at the earliest opportunity.

It is recommended that the planned review of the voluntary sector policy be pursued in early course and that greater use be made of SLAs across the services to clarify and consolidate relationships with various arms length external organisation.

Website

Having looked at the Council's existing web-pages on funding, the Committee finds that there are aspects of these which could be better managed.

There is a need for a corporate ownership to be given to the funding pages, and not leave the Education, Learning and Leisure Service with sole responsibility for managing the content of the pages.

The website needs to be updated to include the full list of existing grants and funding opportunities which may be available, including from bodies such as the Gordon Leisure Projects Trust and the various small educational trusts which exist, as well as funds available from the Scottish Government and the community funds which may be available through the rural partnerships and similar bodies. Angus Council's clear and effective listing of information is identified as good practice.

The Committee feels that there would be benefit in listing all available grants/ funding sources on linked pages, possibly clustered by application type, as this would keep the first page as simple as possible. It is crucial that any information provided be kept up-to-date. The funding pages should also be easily found by web browsers, for example by being included in more search keywords (such as "grant" as well as "funding".)

There should be a single designated contact point on the website for receipt of initial inquiries about funding. Whilst it is not felt that the creation of a designated external funding section could be justified, although the work of Angus Council's external funding unit is commended, the use of a named "portal" would also allow accurate recording of the range and variety of funding sought, including those which never become formal applications. This would allow the Council to be more informed in the allocation of resources to particular areas of grant and to the needs of the community.

The website should also be used to raise the public profile of grants awarded. This would allow greater awareness of the grants available and what can be achieved through community effort. The Committee feels that this would encourage or stimulate other groups or projects.

“Good news” stories on the website would also allow the sharing of good practice, in addition to acknowledging the work undertaken by community groups.

Consideration should be given to disclosing as much information as possible on the website about the applicant, the purpose of the proposal and the funding-package. This would allow greater transparency in the application of public funds. Permission to use the applicants’ details, with the exception of any commercially sensitive information, should be a condition of any award made.

It is recommended that the suggested improvements be made to the Council’s website as soon as is possible, and that consideration be given to establishing a cross-service group to manage the funding pages.

Use the tools available

The existing packages, GRANTnet and GRANTfinder were considered by the Committee, as were similar packages used by other public bodies to facilitate the seeking out of funding, both locally and nationally. The Committee feels that there could be better use made across the Council of these packages, which are powerful tools if used properly. Efforts should be made to highlight, possibly through Arcadia, the system’s usefulness to staff and councillors. The recent training offered to Elected Members on how to best use the system on behalf of their constituents is commended and it is suggested that similar sessions be held for staff on a regular basis. The Committee believes that there is a need to build up staff expertise in order to get the full benefit of the system’s management tools. The corporate oversight of inquiry logging, allowed by the requirement for even casual browsers to log in and provide basic information, means that potential applicants can be tracked. This could allow subsequent contact by a Council officer to provide more personalised support and assistance.

It is recommended that efforts be made to inform and train staff and councillors in the use of the GRANTnet and GRANTfinder packages, to increase awareness and familiarity with the database and develop skills in using it. It is recommended that more extensive use and ownership be made of the GRANTnet/ GRANTfinder packages.

Better use of limited resources

The Committee is very aware that limited funds available mean that the Council’s ability to be the sole, or even prime, funder is diminishing. There is a need to look more towards a coordinating role and allow the Council to become a source of information and an assistant in accessing grants from elsewhere, such as corporate sponsorship. This would require building on the existing in-house expertise and storing

that information in a corporate system. Those who had attained grants had commended the support given by individual staff. The Committee feels that the required staff resource and expertise already exists in-house. There would be a need to rationalise and possibly reallocate workloads, but this is already heavy across the various services and staff but may, indeed, be reduced through consolidation. This would also reduce the risks implicit in “silos of information” being held by too few officers.

It is recommended that corporate ownership on funding information be pursued in a more structured manner.

The pooling of information should also include an assessment of Aberdeenshire’s success rate in attracting funds from the big funding organisations. There may be a need to become smarter in the submission and coordination of applications to these bodies in order to improve success or to share the reasons for success. Comparisons should be sought with the success or failure rates of other areas in attaining funds from these bodies.

It is recommended that information on “big funding” awards be collated from across Britain in order so see if lessons could be learnt in attracting funding.

The greater awareness of good practice and experience as demonstrated in the community tool boxes, and the greater use of the expertise of the various rural partnerships should be promoted. The Committee feels that every effort should be made to make the skills developed in one area available to other areas.

The creation of “roadshows” on funding in a more organised way across Aberdeenshire should also be established. This would build on the success of previous small-scale information-sharing events leading to projects being stimulated. The Committee believes there would be merit in making use of existing community structures, such as the rural partnerships, to undertake this work, as they are already familiar with the needs of the area and have experience in attracting project funding. In this matter the Committee feels that one size would not fit all, but that such initiatives should be “bottom-up” and community-led.

More information should be shared with the communities of Aberdeenshire in regard to funding. The use of email, issued to those groups who currently or previously had applied for funding, ought to be considered as a fast, easily update-able and environmentally friendly way of cascading information to the wider community.

It is recommended that consideration be given to funding roadshows, use of the existing community tool boxes and the greater electronic sharing of information with all potentially interested parties across Aberdeenshire.

The Committee welcomes the opportunities available to the Council in terms of the 2005 Charities and Trustee Investment (Scotland) Act which allows for the merging of small trusts into a single common-aimed body, or the alteration of purpose of existing trusts to one more suited to current circumstances.

It is recommended that appropriate investigation be undertaken with a view to modernising such small trusts.

The Committee is aware of concerns over the level of charges levied by the Council for administering trusts. Such charges may appear out of scale to the financial transactions made by the trusts. However, the Committee acknowledges that the Council has a duty to recoup its costs. It is felt that if the trusts could merge, the costs associated with administration would be shared.

It is recommended that officers investigate, with the relevant trusts, the potential for those of similar purpose to be merged, to rationalise resources, reduce administrative costs levied by the Council and release additional funds which may be currently inactive.

Support for volunteers

With the ever increasing legal and workload responsibilities of volunteers taking key roles in community driven projects, the Committee feels that more could be done provide support. Financial and project management are two areas where the expertise of council officers in support, the establishment of mentoring with previous successful applicants, or increased training being made available to groups, should be promoted. Although this may be an additional cost to the authority, it can be seen as investment in a project's success. It could remove the need for a rescue package to be considered by the Council in the future.

In the start up/ ongoing support of community projects, it is felt that there is a degree of guidance which could be provided by Council officers. The Committee is aware that this "in-kind" support for projects is already provided in some groups but could not be provided for all. It is, however, suggested that there may be opportunities which could be considered within the Council's existing resources to provide additional support.

It is recommended that investigations be undertaken into additional "in-kind" support, from within existing staffing resources, for project volunteers.

The Committee believes that consideration should also be given to establishing a mentoring or buddy system between new applicants and those who have already been through similar experiences. The

facilitation of contact between potential applicants and experienced groups should be established. This sharing of experience could, if required, be a condition of grant.

It is recommended that a system of mentoring or buddy-ing be created to encourage the support of new applicants for funding by those who have been through similar processes.

In the awareness of the small and diminishing pool of volunteers, the Committee would recommend that every effort be made to foster an environment where volunteers are supported. There should be further formal acknowledgement of the contributions made by volunteers to their communities; it is felt that this could be done by maximising public awareness of projects and perhaps by marking special achievements. The Committee acknowledges the role taken by the Provost in holding an annual gathering to present certificates to those volunteers whose community efforts had been commended to him and suggests that this could be expanded to cover additional groups. The Committee feels that greater public awareness of the work undertaken should be pursued and feel that the Council's website may be an option for this.

It is recommended that more public acknowledgement be made of the efforts of volunteers and greater use of the Council's Corporate Communications function and website to promote this.

10. THANKS AND INVITATION FOR FEEDBACK

- 10.1 The Scrutiny and Audit Committee would like to record its appreciation of the co-operation and assistance it received from internal and external witnesses, and the support provided by Council officers whilst undertaking this investigation.
- 10.2 Each investigation that is undertaken is part of a learning experience for the Committee and it would welcome any feedback or comments from participants or interested individuals on the investigation process and this report.



**Cllr Peter Argyle
Chair
Scrutiny and Audit
Committee**



**Cllr Andy Ritchie
Vice-Chair
Scrutiny and Audit
Committee**

APPENDIX A – INVESTIGATION BRIEF

| Scrutiny and Audit Committee – Investigation Brief | |
|---|--|
| Subject to be reviewed | Investigation No 15 |
| Duplicated Effort and Expenditure in Council-funded Organisations. | |
| Purpose and objectives of investigation | |
| <p>1). To establish the Extent of Duplicated Effort and Expenditure in Council-funded Organisations, including:</p> <ul style="list-style-type: none"> the numbers and distribution of supported groups by geographic area, the overall distribution of funds, both as grants and by mainstream budget support, by areas of interest, and any potential duplication of interest; <p>2). To consider areas where cost savings and efficiencies may be made, including the greater integration and rationalisation of groups; and</p> <p>3). To make recommendations for improvements.</p> | |
| Background documents/ evidence/ research | <p>Current grant schemes/ policies;</p> <p>Collated list of other Council administered funding schemes (such as Trusts, including the Gordon Leisure Projects Trust);</p> <p>“Following the public pound” policy;</p> <p>Group accounts information;</p> <p>List of grants paid/ budgetary commitments to Council funded organisations;</p> <p>List of beneficiaries;</p> <p>Governance and Accountability in Partnership and Joint Working. Partnership policy. (Policy & Resource January, 2007)</p> |
| Witnesses to be invited to provide evidence | <p>External – Applicants; Recipients; Other local authorities.</p> <p>Chief Officers – Directors / Area Managers.</p> <p>Staff – Finance, Grant awarding services.</p> |
| Site Visits | |
| Consultation process | To be considered. |
| Trade Unions Contribution | |
| Project Team (officers) | Jan McRobbie, Chief Executive Service and Alison Cumming, Law and Administration. |
| Other estimated costs | TBC |
| External expert | N/A |
| Investigation Timetable | September – December, 2007. |

APPENDIX B – INVESTIGATION PROGRAMME AND WITNESSES HEARD

| Date | Time | Witness |
|--------------------------------|-------------|--|
| Wednesday 19 September. | 10.15 | Background to Investigation. Ross Brennan, Chief Accountant (Finance). |
| Thursday 27 September. | 10.15 | Area Managers. Ian Fowell, (Garioch Area Manager); and Chris White (Buchan Area Manager). |
| | 11.30 | Web-browsing – other Council websites. |
| Friday 5 October. | 10.15 | Education, Learning & Leisure. Rod Stone (Head of Lifelong Learning and Leisure); Pat Scott (Head of Service Children’s Service); and Walter Taylor (Grants & Outdoor Activities Officer). |
| | 11.30 | Policy/ Childcare/ Criminal Justice. Roger White (Head of Policy); and Chris Booth (Head of Social Work (Child Care/Criminal Justice)). |
| | 2.00 | Web-browse – other public body grant funding organisations. |
| | 2.30 | Transportation & Infrastructure Officers. Morna Harper (Business and Community Support Manager); Jeffrey Kenyon (European Programmes Co-ordinator); and Martin Brebner (European Services Executive). |
| Thursday 11 October. | 10.15 | Planning & Environmental Services Officers. Gordon Mackie (Environment Manager); Brian Watt (Team Leader (Built & Cultural Heritage)); Irina Birnie (Team Leader (Natural Heritage)); and Jack Fullerton (Accountant P&ES). |
| | 11.30 | Housing & Social Work Officers. Paul Douglas (Support Services Manager); Sandra Ross (Accountant, Social Work); and Val Milne, (Strategic Development Manager, Community Care). |
| | 1.45 | Web-browse – other funders. |
| Wednesday 7 November. | 1.30 | Visit to Grants Sub-Committee. (Cllrs Argyle and Merson). |
| Friday 9 November. | 10.15 | Meeting with Trusts. Sarah Boldwyn, Project Manager/ Trust Administrator; and Ian Shepherd, former trustee, North East Scotland Preservation Trust. |
| | 11.30 | Community Group – Kinnellar Village Hall. Dorothy Lamb and Doug Grant. |

| | | |
|-------------------------------|---------|---|
| | 1.45 | Community/ Partnership Group – Foveran Community Council. Duncan Milne – Gallowhill Playing Field Project. |
| Friday 23 November. | 10.15 | Meeting with Partnerships - Local Bio-diversity Action Partnership. Judith Cox, Aberdeenshire Council; and Ewan Lawrie, Scottish Natural Heritage. |
| | 11.30 | Meeting with Trust – Bennachie Centre Trust Colin Millar, Chair; and Fred Gordon, Head Ranger, Aberdeenshire Council. |
| | 1.45 | Meeting with Service Level Agreement (SLA) Bodies – Alzheimer’s Scotland. Fiona Roberts, Regional Manager. |
| Wednesday 28 November. | 10.15 | Background papers/ investigation consideration. |
| | 11.30 | Meeting with Community Partnerships – Buchan Development Partnership and Marr Area Partnership Dawn Brodie and Judith Aylett. |
| | 1.45 | Meeting with Service Level Agreement Bodies – Gordon Rural Action (GRA). Alan Busson, Advice & Information Manager; and Sue Kinsey, Director. |
| Monday 10 December. | 10.15 | Trusts/ Community Development Trusts/Office of Scottish Charity Regulator – Discussion with senior officers. Chris White, Buchan Area Manager; Derek Yule, Head of Finance (Accountancy & Corporate); and Sandy Shaw, Legal Manager, Law & Administration. |
| | 11.30 | Meeting with Other Council. Alison Smith, External Funding Manager, Angus Council. |
| | 1.45 | Meeting about Council Webpage/GRANTfinder. Walter Taylor (Grants & Outdoor Activities Officer); Harry Shortell, GRANTfinder; and Jamie Ross, (Project Leader/Applications Analyst, Personnel & ICT). |
| Thursday 13 December. | 2.00pm | Wrap-Up Session (1). |
| Friday 15 February. | 10.00am | Wrap-Up Session (2). |

APPENDIX C – GLOSSARY OF ABBREVIATIONS USED

| | |
|-------|--|
| FPP | Following the Public Pound |
| SLA | Service Level Agreement |
| OSCR | Office of the Scottish Charity Regulator |
| ALEO | Arms Length External Organisation |
| COSLA | Convention of Scottish Local Authorities |
| GREC | Grampian Racial Equality Council |
| CGF | Common Good Fund |
| GRA | Gordon Rural Action |
| CVS | Council for Voluntary Services |
| SLOG | Scottish Lottery Officers' Group |