

EXTERNAL FUNDING FRAMEWORK

September 2005

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1. INTRODUCTION

Basildon District Council has the opportunity to bid for external funding streams from a range of partners, agencies and government departments to assist in delivering its community leadership role. These opportunities are presented to the Council in a range of different formats with a variety of bidding and evaluation processes.

As part of BDC's continuous improvement regime there is a business case that can be made to improve the co-ordination of external funding bids and ensure that clear support of the Council's Strategic aims is identified for externally funded projects. At the same time it is important to ensure that a proper evaluation of the risks and implications for the Council has been made before the authority enters into any externally funded arrangements.

Basildon Council's Comprehensive Performance Assessment (CPA) has highlighted this problem and encouraged the organisation to improve and be able to demonstrate the links between bids made for external funding and delivery of the Council's strategic priorities.

The External Funding Framework has been developed as a response to this problem and aims to make bidding for external funding a transparent process and to reduce liability and risk to the Council by taking into consideration all issues that may affect the successful delivery of the project.

The External Funding Framework aims to:

- Offer a comprehensive approach to fully coordinate and manage BDC's bidding for external funding, providing a service for all funding programmes and ensuring that 'hidden costs' are accounted for, e.g. Support services, audit costs, insurance costs, administration and management costs.
- Provide a corporate approach to applying for funding to ensure that applications are only made where they support the Council's objectives and meet the service / department need and that all opportunities are maximised and risks and liabilities are minimised.
- Avoid duplication of effort and types of projects being developed and bid for.
- Ensure compliance with both funding body rules and Council Regulations.
- Ensure that implications of capital bids are always adequately defined / funded.
- Have in place a system to record individual projects, a clear agreement of objectives and responsibilities, for all partners, prior to the submission of a funding application.
- Provide support and assistance to develop proposals to ensure cost effectiveness, realistic timetables and budgets.
- Provide support to ensure the successful implementation of a project through a set of Project Management procedures.
- Provide records of success and failure rate of bidding for funding and sharing best practise by learning from mistakes.

2. MANAGEMENT OF EXTERNAL FUNDING FRAMEWORK

Sustainable Community Services has in partnership with colleagues from Audit, Risk & Business Continuity and Financial Strategy and Services developed the Framework and will be responsible for the on-going management of the process. The Head of Service of an officer wishing to submit an application for external funding and the Head of Sustainable Community Services will scrutinise and assess project pro formas to ensure that the proposed projects meet the strategic aims of the Council and that applying for the external funding would be an appropriate use of Council time and resources. The Executive Team and relevant Portfolio Holder will be informed of approved project pro formas. In the case of applications for external funding over £75,000, the Leader's meeting will also be informed, and in exceptional cases of very large-scale applications Scrutiny will be also be informed. In addition to this Cabinet may need to take a decision before the bid is submitted for funding.

The Executive Director of Sustainable Communities and Development may provide an applicant with an exemption from the External Funding Framework process if such an exemption would be of clear benefit to Basildon District Council, such as when a very tight timetable needs to be met for a funding application of importance to the Council. A signed exemption with stated reasons (located at the bottom of the signature page of the External Funding Council Project Pro Forma) must be submitted to the Head of Sustainable Community Services before the instigating officer begins any work on an exempted proposal.

The main elements of the Framework consist of the following:

1. *Project Pro Forma* – to be completed by the initiator of the application and scrutinised, assessed, and signed off on by his/her Head of Service and before being submitted to the Head of Sustainable Community Services.
2. *Guide to Completing the Project Pro Forma* – assists in the correct completion of the Pro forma.
3. *Checklist* – a reminder to check with Support Services that all areas with regard to Finance, Audit, Risk, Insurance, Human Resources, and Legal have been explored and discussed with appropriate officers. The checklist also reminds the applicant to consider other issues such as the need for planning applications and lease/rental issues.
4. *Project Initiation Document and Project Plan* – to assist with the successful implementation of a project and to address any future risks to the project completion.
5. *Service Frameworks* – a guide to the applicant for external funding of the role of Support Services and the applicant themselves as the initiator of an application. The Frameworks can be turned into a Service Level Agreement to clarify roles and responsibilities.

3. THE BID PROCESS – A GENERIC FRAMEWORK FOR ANY SERVICE

This table provides a brief overview of the grant stages and required actions for any Service wishing to apply for external funding.

Stage	Generic Framework
<p>1. Pre-Bid</p> <p>► Pro forma</p>	<p>Project pro forma to be completed in accordance with guidance notes, scrutinised and assessed and signed off by your Head of Service and submitted to Sustainable Community Services for processing.</p> <p>The pro forma will be then be scrutinised and appraised by the Head of Service for Sustainable Community Services. The Executive Team and the relevant Portfolio Holder will be informed of all cleared pro formas. In the case of applications for external funding over £75,000, the Leader’s meeting will also be informed, and in exceptional cases of very large-scale applications Scrutiny will be also be informed. In addition to this Cabinet may need to take a decision before the bid is submitted for funding.</p> <p><i>You must allow sufficient time in your project development planning for the required clearance.</i></p> <p>The Executive Director of Sustainable Communities and Development may provide an applicant with an exemption from the External Funding Framework process if such an exemption would be of clear benefit to Basildon District Council. A signed exemption with stated reasons (located at the bottom of the signature page of the External Funding Council Project Pro Forma) must be submitted to the Head of Sustainable Community Services before the instigating officer begins any work on an exempted proposal.</p> <p>If at this stage there are any issues of concern, additional request for information may be asked of the applicant.</p>
<p>2. Bidding</p> <p>► Checklist</p>	<p>Once the pre bid stage has been successfully completed, the Stage 2 Checklist will need to be completed whilst completing the external funder’s application form. The completed application/bid will need to be submitted to Sustainable Community Services for checking and sign off by the Head of Service for Sustainable Community Services prior to its submission to the external funder.</p> <p>If at this stage there are any issues of concern, additional request for information may be asked of the applicant.</p>
<p>3. Set up of Project</p> <p>► PID</p> <p>► Project Plan</p>	<p>After receiving funder approval, completion of a Project Initiation Document for all projects over £25,000 project value is required to be submitted to Sustainable Community Services together with a Project Plan. The appropriate processes and procedures must be set up in order to properly administer the project.</p>
<p>4. Duration of Project</p>	<p>Responsible for Project Management of project; achievement of agreed outcomes; and adherence to finance procedures and audit requirements.</p>
<p>5. Closure of Project</p>	<p>Completion of an end of project evaluation form which in most cases is required by the funder. Liaising with Audit on final audit requirements and with Finance on any Financial issues.</p>

Note: At each stage of the project the project manager, with reference to the Service Frameworks in Section 10, must consult with the relevant support services for advice and guidance as required.

4. GUIDE TO COMPLETING THE PROJECT PRO FORMA

Background

The project pro forma has been introduced as a mechanism towards coordinating external funding activity and prioritising / targeting resources within the Council. The pro forma can be downloaded from the INTRANET, under Corporate Documents/Sustainable Community Services, and be completed and returned to the Economic Regeneration Officer, Sustainable Community Services.

Overview

- Step 1** Complete the form and discuss with your Line Manager or Head of Service who will also sign their agreement to the pro forma BEFORE any further work is carried out.
- Send the form to the Economic Regeneration Officer, Sustainable Community Services when complete.
- Step 2** The form will be assessed initially by Sustainable Community Services within 5 working days of receipt of form to ensure correct completion. Additional information may be required at this stage. The Economic Regeneration Officer, Sustainable Community Services, will liaise with you regarding additional information.
- Step 3** Appraisal of pro formas as noted in The Bid Process – A Generic Framework for Any Service.
- Step 4** The successfully approved pro formas will be entered on a database and tracked by Sustainable Community Services. Summaries of these successful pro formas will be placed on BDC's Intranet page as a means of sharing information with all Departments, and the relevant portfolio holder and the Executive Team will be informed of all approved pro formas. In the case of applications for external funding over £75,000, the Leader's meeting will also be informed, and in exceptional cases of very large-scale applications Scrutiny will be also be informed. In addition to this Cabinet may need to take a decision before the bid is submitted for funding.
- Unsuccessful pro formas will also be entered on a database and tracked by Sustainable Community Services.

Completing Page 1: - Basic Information

This section provides the framework for your main bid. It has been designed to complement bidding applications from a variety of organisations and should be the FIRST STAGE of any bidding pro forma you wish to make.

Contact Details

Provide details of the person mainly working on the bid, in case you need to be contacted to supply additional information.

Project Instigation

Whose idea was it? Was it an internal initiative from BDC Officers or Members, from an external organisation, or from the community?

Project Details

Provide details of the project name, where it will be taking place (e.g. Five Links, the whole of the District, throughout Essex etc), and the start and end date of the project.

Give a brief description of the project, its aims and objectives and how it will be delivered/ work (what will the person in the street see or what will the person / organisation the project is helping see/be provided with?)

Evidence of need: Tick the appropriate response(s) and include details of any consultation that has taken place to support the project, any surveys that have been taken, or any indices of deprivation, or other means that justify a need for the project. How do you know the project is needed / will be used?

How does this project fit with your detailed service plan and the objectives listed in your service's plan that the pro forma will work towards achieving?

Strategic Plan Aim

Please tick the most appropriate box to confirm which aim your project meets in relation to the Council's Strategic Plan and justify how the project meets the Strategic Plan Aim. Copies of the Strategic Plan can be obtained by contacting Policy & Performance service – ext 4480. All the objectives are listed in the project pro forma and you are required to tick ONE that your project mainly works with together with a justification of why the Council should be involved with and support the project / scheme.

Funding Details

Total Cost of Project – This should include any match funding requirement and the actual cash grant.

Capital Costs – these costs relate to assets, which have an expected life of greater than one year. Examples are major items of equipment, vehicles, buildings and renovations to extend the life of an asset or change its use.

Care should be taken as the grant conditions may specify a definition of capital expenditure, which is different to that stated in the relevant Financial Procedure Note. This may require different internal treatment of the expenditure to the reporting required for the grant.

Revenue Costs – salaries, consultancy, stationery, printing etc.

Amount of Funding Sought – this is the actual cash grant being requested and should exclude match funding.

Cash Match Funding Required – this is where additional costs, which would not have otherwise been incurred, are required to support the project. For example office equipment required for project staff, which would not attract grant funding. The estimated cost of cash match funding to the Council should be explicitly stated and separated from cash match funding received from other sources.

In Kind Match Funding Required – this includes items like staff time, overhead costs and supplies and services. These are not additional costs incurred by the Council, but are resources redirected from their day-to-day use to support the project. For example, time spent by an HR Officer to recruit project staff. The officer would still be employed if the project were not taking place, so there is no additional cost to the Council, but the officer has been diverted away from their normal duties. The estimated cost of in kind match funding to the Council should be explicitly stated and separated from in kind match funding received from other sources.

Care should be taken in all cases, especially at the bidding stage, to review the specific grant conditions, as definitions of the various sources of grant and expenditure will differ from scheme to scheme. The above should be viewed as general guidance in the absence of more specific grant instructions.

Project Partners - definitions

Lead Partner – facilitates the bidding process, submits the bid, answers queries from the funding body – quite often the chairman of the board.

Accountable Body – is responsible for the delivery and management of the scheme, including ensuring best value, financial transparency and probity. It is the organisation that takes all the risks. This often occurs when the 'partnership' is not a constituted body. The organisation taking on the role of Accountable Body usually acts as banker and employer, and is financially and legally liable.

Additional Partners are usually advisory by nature, members of the steering committee / board. They may be a delivery agent and active in the decision making process.

All partners need to be committed and active if the project is going to succeed.

Application Information

Expressions of Interest - some organisations have a two-tiered approach to funding. They ask for an initial summary bid known as the expression of interest. This contains very basic information that the organisation can review quickly and advise you whether it is worth submitting a full bid. You will need to advise on the pro forma if you will be submitting an expression of interest and of the deadline for submission.

In addition to this you need to include in the pro forma the date of submission for full pro formas / applications and who you are submitting the application to.

This information will help to decide what additional resource / support you may need to complete the full bid.

Additional Information

Please identify and consider any risks that may affect the success or viability of the project, for example:

Are there any future revenue implications? – Is it a one off project or will it need future revenue funding? If so where will the funding come from?

Are there any VAT implications? Some funding bodies do not fund VAT, so it is important you find out how you will deal with any VAT implications. Accountancy will be able to advise you on this issue.

What BDC support services will you require to implement your project? Will you require the support from, for example, ICT, HR and Accountancy to deliver the project? What about additional support from within your service, for example administration? Have you consulted other services of the support you need?

Will the project need to hire staff or will project-related staff also be BDC staff?

Are any informal/formal agreements to be entered into as part of the proposed project?

Note: The Service Frameworks (Section 10) and the Stage 2 Preparation of Bid Checklist (Section 7) will also assist in identifying other services that may need to be consulted.

Required Signatures

This is essential before any further work is undertaken on the pro forma.

If the Head of Service for Sustainable Community Services or the Executive Director of Sustainable Communities and Development are unavailable to sign the pro forma due to absence, the applicant may seek signatures from their official designees. The names of the official designees will be on file in Sustainable Community Services.

Exemptions

As noted, the Executive Director of Sustainable Communities and Development may provide an applicant with an exemption from the External Funding Framework process if such an exemption would be of clear benefit to Basildon District Council. A signed exemption with stated reasons (located at the bottom of the signature page of the External Funding Council Project Pro Forma) must be submitted to the Head of Sustainable Community Services before the instigating officer begins any work on an exempted proposal.

5. Project Pro Forma

Basildon District Council
External Funding
Council Project Pro Forma

Contact Details	
Name of Directorate/Department	
Contact Name	
Address	
Post Code	
Telephone	
Fax	
Email Address	

Project Instigation	
Officer <i>If yes, please give details</i>	*YES/NO
Member <i>If yes, please give details</i>	*YES/NO
External Body <i>If yes, please give details</i>	*YES/NO
Community <i>If yes, please give details</i>	*YES/NO

Project Details	
Name of Project	
Location of Project	
Start and End Date of Project	
Brief Description of Project	
Evidence of Need <i>Please Tick Appropriate Response(s) and briefly detail in box at right:</i> <input type="checkbox"/> <i>Evidence shown through consultation.</i> <input type="checkbox"/> <i>Evidence shown through surveys.</i> <input type="checkbox"/> <i>Evidence shown through indices of deprivation.</i> <input type="checkbox"/> <i>Evidence shown through other means.</i>	Justification:
Project Details (continued)	
Strategic Objective	<i>Please indicate which Strategic Objective this proposal will help meet within your Detailed Service Plan:</i>

Strategic Plan Aim	
<p>Please tick which Strategic Plan Aim the project best contributes towards and indicate how in the box at right.</p> <p><input type="checkbox"/> Continually improving, quality services. <input type="checkbox"/> A clean, pleasant and safe environment. <input type="checkbox"/> Improving homes whilst protecting green spaces <input type="checkbox"/> A vibrant community.</p>	<p>Justification:</p>

Funding Details	
Total Cost of Project	£
Capital Costs	£
Revenue Costs	£
Amount of Funding Sought	£
Cash Match Funding Required	£
In Kind Match Required	Please list any in kind services required to be provided:
Does your service depend on this funding to deliver core services? If yes, please give details.	*YES/NO

Project Partners	
Lead Partner	
Accountable Body	
Additional Partners	

Application Information	
Expression of Interest required? If yes, when?	*YES/NO
Deadline date for submission of full bid	
Who is the bid being submitted to?	

Additional Information	
Are there any future revenue implications? If so, who is going to fund them?	*YES/NO – If yes, please briefly describe:
Are there any future VAT implications? (Contact Owen Sparks, Accountancy)	*YES/NO – If yes, please briefly describe:
Are Support Services or other BDC resources required? If so, what?	*YES/NO– If yes, please briefly describe:
Will staff need to be employed? Or Will a member of staff for an externally funded body Also be a member of BDC staff?	*YES/NO– If yes, please briefly describe:
Are any formal or informal agreements to be entered into as part of the project?	*YES/NO– If yes, please briefly describe:

** Please delete as appropriate.*

SEE REQUIRED SIGNATURES PAGE – NEXT PAGE

REQUIRED SIGNATURES

Total Project Cost – up to £75,000 (Requires Both Signatures)

Signature of
Instigating Officer's Head of Service: _____ Date: _____

Signature of Head of Sustainable Community Services or Official Designee:
_____ Date: _____

Final Decision Reported to ET _____
Date

Final Decision Reported to Relevant Portfolio Holder(s) _____
Date

Total Project Cost – more than £75,000 (Requires Both Signatures)

Signature of
Instigating Officer's Head of Service: _____ Date: _____

Signature of Head of Sustainable Community Services or Official Designee:
_____ Date: _____

Final Decision Reported to ET _____
Date

Final Decision Reported to Relevant Portfolio Holder(s) _____
Date

Final Decision Reported to Leader's meeting _____
Date

In exceptional cases of very large-scale applications, Scrutiny will be also be informed. In addition to this Cabinet may need to take a decision before the bid is submitted for funding

Final Decision Reported to Cabinet/Scrutiny _____
Date

EXEMPTION

The Executive Director for Sustainable Communities and Development may exempt a prospective applicant for external funding from having to follow the External Funding Framework, provided that the Executive Director signs the exemption below and provides in writing below the reasons that such an exemption would be of clear benefit to Basildon District Council.

Signature of Executive Director for Sustainable Communities and Development:
_____ Date: _____

Reasons for
Exemption: _____

Exemption Reported to Relevant Portfolio Holder(s) _____
Date

OFFICE USE ONLY

Project Proposal:
Decision:

Approved

Declined:

Exempted:

Relevant Portfolio Holder(s) informed of approval/exemption:

Cllr. _____

Date: _____

Cllr. _____

Date: _____

Summary:

6. GUIDE TO COMPLETING THE CHECKLIST

Introduction & Guidance

The stage 2 checklist is designed to support the bidding process by highlighting key areas. It is a guide only and not exhaustive. Additional areas of uncertainty and risk may need consideration depending on the individual circumstances of the project.

During the preparation of the bid it is essential to fully explore the implications of undertaking the initiative. To this end the project instigator must be familiar with any grant conditions and explore their effect on the implementation of the project and on the Council as a whole.

Consultation will be necessary, but the level required would depend on the nature of the grant. However, in all cases Financial Strategy & Services, Audit Risk & Business Continuity, Human Resources & Organisational Development and Legal Services must be contacted.

These services are shown in italics on the checklist and the date consulted section should be completed in **all** cases. It is likely that the majority of initiatives will have implications in these areas, which will need to be identified, planned and managed. Any costs incurred will be charged to the project through support charges and will need to be funded from the grant wherever possible.

Other services will need to be consulted as required. This will depend on the circumstances of each individual initiative and careful consideration will need to be given to determine which other departments will need to have an input into delivering the project. All relevant "Other Services" must be contacted and the date consulted section completed on the checklist.

The "Instigating Department" section of the checklist is a brief list of additional areas, which need to be considered by the lead project officer. It is not exhaustive and other issues may be pertinent.

The Service Frameworks (Section 10) have also been designed to include a table showing the potential involvement of each service at each stage of the project and hence will assist the project manager in determining which services need to be consulted at this stage.

7. CHECKLIST

Stage 2 - Preparation of Bid

Key Questions To Identify The Level Of Service Required From Council Departments To Support The Project

Service	Key Questions	Contact	Date Consulted
Financial Strategy & Services	Contact Financial Services for all schemes to determine both actual and in kind resource implications	Owen Sparks (ext. 4624)	
Audit Risk & Business Continuity	Contact Audit Risk & Business Continuity for all schemes to determine a risk assessment for the project, any insurable items, any procurement issues or any need for internal audit provision.	Angela Clarke (ext. 4732)	
Human Resources & Organisational Development	Contact Human Resources & Organisational Development for all schemes to determine any recruitment, secondment, employment, training issues etc.	Catherine Diamond (ext. 4394)	
Legal Services	Contact Legal Services for all schemes to determine whether any formal or informal agreements need to be entered into as part of the project.	Jim Groves (ext. 4375)	
Contact the following departments or any others as necessary:-			
Other Services	IT Services - will IT equipment/software/communications support be required?	Martin Tipper (ext. 4025)	
	Building Control - will properties be obtained/ altered/ used occupied?	Jim Owens (ext. 4177)	
	Corporate Property Services - will the scheme involve the use of Council property, including the use of Council desks and office space?	Jim Ross (ext. 4466)	
	Policy & Performance - to what extent would the funding proposal contribute to the Council's equality, diversity and social inclusion commitments and how does the project assist disadvantaged groups and communities.	Philip Hamburger (ext. 4200)	
	Planning - does the scheme require new buildings, extensions to existing buildings or changes in the use of land or buildings?	Graeme Bloomer (ext. 4160)	
	Environmental Health - does it need a license (alcohol, entertainment etc.), will it involve the sale or use of food or drink, is it going to make a noise, cause a nuisance (smell or dust etc.), produce smoke, involve the use of contaminated land, or is there going to be any discharge to the atmosphere or water courses?	Richard Albon (ext. 4271)	

7. CHECKLIST

Stage 2 - Preparation of Bid

Key Questions To Identify The Level Of Service Required From Council Departments To Support The Project

Service	Key Questions	Contact	Date Consulted
Instigating Department	Have the relevant departments been consulted (<i>the services in italics in all cases</i>)?	Project Lead	
	Has the appropriate approval been gained at stage 1?		
	Which areas of the Council Plan does the project support?		
	Have data capture systems to support any reporting requirements been considered?		
	Has the corporate data base been updated?		
	Has an exit strategy been developed and costed?		

NOTES

The departments in *italics* must be contacted in all cases

The above list is not exhaustive and the level of consultation required will depend on the individual requirements of each project

8. PROJECT INITIATION DOCUMENT (PID)

PROJECT SPONSOR	
PROJECT MANAGER	
PROJECT NAME	
BRIEF OUTLINE OF ACTIVITIES AND OUTCOMES	
START/END DATE	
STRATEGIC LINK TO COMMUNITY PLAN	
TEAM MEMBERS AND ROLES	
STAKEHOLDERS	
CONSULTATION REQUIREMENTS	

<p>COMMUNICATION/ REPORTING SYSTEMS</p> <p>1. To Sponsor (weekly reports, e-mail updates etc)</p> <p>2. To Members (Committee report, members bulletin etc)</p>	
<p>BUDGET AND FINANCE (Funding source, budget code, project value etc)</p>	
<p>OTHER INFORMATION</p>	

(SIGNATURE)

PROJECT SPONSOR





PROJECT MANAGER.....

ENCLOSED:

PROJECT PLAN

9. PROJECT PLAN

Project Area	Sub Project Owner	Critical Success Factors	Period	Due to Start	Due to Finish	Plan %	Actual %	Status			Corrective Actions

-  On track for due finish date
-  Not on track / need input from other resource
-  Not on track and will impact upon dependent tasks
-  Activity Complete

10. SERVICE FRAMEWORKS INTRODUCTION

The service frameworks are designed to identify the range of support services, which an externally funded project may need or require to utilise over its lifespan i.e. throughout all 6 stages of the project:

- Pre-Bid
- Bidding
- Set up of Project
- Running of Project
- Closure of Project
- Post Project Administration

As outlined in the Stage 2 – Preparation of Bid Checklist there are many services within the Council, which could potentially provide support to such projects.

This section of the External Funding Framework includes the service frameworks for such support services within the Council. They are designed as a reference tool to enable project instigators and project managers to ascertain the level of support, which should be sought at each stage within the project's lifespan. This will enable the right advice and guidance to be sought at each stage of the project and also facilitate forward planning to ensure timely assistance from such services.

The frameworks also include:

- Introduction – explains the nature of the support provided
- Our Approach – the method the service adopts
- Any requirements/responsibilities of project staff
- Key contact points within the support service
- Key questions for service provision
- The services that will/can be provided
- What risks can be identified
- Costs and recharging methods

Project instigators could also use these service frameworks as the basis for drawing up Service Level Agreements with support services, if required.

These service frameworks are a guide only and are not exhaustive. As the External Funding Framework is rolled out and utilised across the Authority these service frameworks will be further developed and more service frameworks included, as necessary.

10a) SERVICE FRAMEWORK EXAMPLE: FINANCIAL SERVICES

Introduction

Financial management is a key element of effective decision-making. It is essential that Financial Services be contacted at the earliest opportunity in order to support the bid throughout each stage of its development and implementation. An accurate estimate of the project costs needs to be determined at an early stage to ensure the scheme is deliverable within resource constraints. Consideration needs to include any requirements for match funding, set up and exit costs. Monitoring requirements also need to be determined to ensure that accurate and timely grant claims can be completed and any audit requirements met. Relevant internal controls must be put in place at the earliest opportunity to ensure financial probity and transparency.

Our approach:

Financial Services will support the project throughout each stage of the bid development, offering advice and more specialist expertise where appropriate. The department will also act as necessary to ensure controls are in place to protect the public purse, meet statutory obligations and limit any financial liability falling to the Council.

However, the financial responsibility for the project remains with the project lead officer.

Any requirement from project management/ staff

Financial Services requires a nominated member of the project staff to lead on the financial aspects of the bid and ongoing monitoring. This includes ensuring that funds are administered appropriately and expenditure is in line with relevant grant instructions, the preparation of grant and audit returns and the maintenance of adequate financial records.

Financial Services will provide support wherever appropriate.

Key Contact Points:

Owen Sparks:	01268 294624
Kieran Carrigan:	01268 294614

Bid Stage	Financial Services
Pre-Bid	<p>Unless the initiating department raise any specific issues regarding funding, it is unlikely that financial services should be involved at this stage.</p> <p>However, the pre-bid document should at the very least highlight the gross cost of the project including any match funding requirement. As far as can be determined at this stage, any specific grant conditions that may have a material impact on the Council should also be stated and advice sought from Financial Services if there is any uncertainty.</p> <p>The initiating department will pay any charges at this stage or absorb any internal costs.</p>
<p>The Pre-Bid is approved at the appropriate level to ensure that it meets the Strategic Aims of the Council and is a viable initiative. The pre-bid will highlight any material match funding or actual resource requirements, which will be considered as part of the evaluation. Financial Services will be consulted only if the lead officer feels appropriate, but in all cases will be made aware of the pre-bid through the corporate process.</p>	
Bidding	<p>Financial Services should be contacted to support all bidding processes.</p> <p>With reference to the individual requirements of each grant a budget needs to be prepared, which is both realistic and affordable. A separate budget should be prepared as far as possible, for each year of the project. If applicable, this will need to be split further into actual and match funding.</p> <p>The cash flow implications of large projects (i.e. greater than £250k of expenditure a year) and general VAT issues also need to be considered.</p> <p>The implications for other departments, especially for match funding requirements, must be agreed with them and cannot be assumed. At the bidding stage thought needs to be given to how the final service will be delivered and what support it will require. For example if staff are to be employed, HR and Payroll will be involved.</p> <p>Potential support allocations, insurance, audit fees and any other relevant central charges need to be quantified and built into the budget. As far as possible these need to attract grant funding. If a scheme has any net cost this resource will need to be found and relevant virements/supplementary estimates actioned.</p>

	<p>Set up costs and exit costs will also need to be considered and should be budgeted for appropriately (e.g. redundancy).</p> <p>The Council's approved Financial Regulations and Financial Procedure Notes should be followed at all times. Where these differ from specific grant requirements. Approval will need to be sought to waive agreed Council procedures.</p>
<p>At the end of this stage final approval may be required before the bid can be dispatched to the funding body.</p>	
<p>Set up of Project</p>	<p>Any conditions or additional information that was unknown at the time the bid was submitted would need to be reviewed and the implications considered.</p> <p>The project lead will need to request appropriate spending and income (general ledger) codes to be set up in order to effectively manage the project. Appropriate virements/supplementary estimates will need to be actioned.</p> <p>If appropriate the relevant project staff will require financial management and systems training. The internal control environment will also need to be considered to minimise risk. The level of financial management skills should be assessed and any recruitment criteria and training should take this into account.</p> <p>Any preparatory work required should be undertaken. This may include the calculation of hourly rates and overhead charges, liaison with the external auditor etc. It may also be prudent to contract any project staff in advance of the official project start date. This may facilitate the preparatory work and allow a smooth transition when the project commences, however, this will need to be resourced internally if it does not attract grant funding.</p>
<p>Running of Project</p>	<p>Financial management of the project is the responsibility of the project lead/manager. However, general advice and support should be obtained wherever appropriate.</p> <p>Financial Services should review all grant claims and returns with financial implications before submission.</p> <p>With projects that are outcome based and where the methods of delivery are not explicitly stated at the set up stage; Financial Services should be involved in 'project appraisals' to ensure no adverse financial implications arise.</p>

	<p>The project lead/manager will need to comply with the Council's Financial Regulations, Finance Procedure Notes and procurement policies at all times, unless it has been expressly approved that any elements of these can be waived. The project will also need to link with the Council's budgeting and statutory accounting (e.g. closure) processes wherever possible.</p> <p>Local financial records must be reconciled to the Council's general ledger as appropriate by the project staff.</p>
<p>Closure of Project</p>	<p>Any ongoing costs need to be identified and quantified. If these vary materially from the initial bid plan additional funding may be required or services may need to be rationalised.</p> <p>A cut off procedure must be implemented to ensure that all grant expenditure is spent within the relevant period.</p> <p>Any final closure report/evaluation needs to be completed.</p>
<p>Post Project Administration</p>	<p>Relevant financial documents must be archived in accordance with grant instructions and statutory obligations.</p> <p>Service staff with knowledge of the project must be available to liaise with auditors as appropriate.</p>

Key Questions for the provision of Financial Services.

- What is the extent of the reporting, claiming and audit requirements?
- Will an individual be hired to perform the finance functions?
- Is the Council the 'Accountable Body' for the project?
- What level of financial flexibility is expected by the project? Will petty cash/ cheques/ credit card mechanisms need to be put in place? Will a separate bank account be required?
- Who has responsibility if the money is inappropriately spent?
- What are the match funding and actual net (unfunded) cash requirements and how are these to be met?
- What is the level of financial risk within the project, what is the extent of partnership working and who are the partners? What are the project management arrangements?
- Will there be any VAT implications?
- Is there an exit strategy to ensure no residual costs to the Council?
- Is the project time limited or expected to self-finance (mainstream) after a period of time? If so is there a robust business plan?

Services Provided:

Below is a list of discussion items and services that may be required. This is not an exhaustive list and any other relevant issues should be considered.

Issues	Guidance Required	Not Applicable	Notes
Budget Setting			During the bid stage and annually as part of the Council's budget setting process
Set up costs			
Exit costs			Must be reviewed as the project develops as assumptions change
Budgetary Control/Monitoring			Should be carried out regularly
Match Funding			A separate budget should be prepared
Cash Flow			Major cash flows may have a real cost to the Council
Grant Claims			How often and in what format?
Monitoring / Outcome Returns			Failure to meet targets may effect the level of grant available
Implications of cash accounting			Will effect cut off arrangements for grant claims, especially at year end
Proof of expenditure			What constitutes proof of expenditure?
Signatories and authorities			For ordering, payments, claims etc. Non Council staff can not commit the Council

Issues	Guidance Required	Not Applicable	Notes
Reimbursement of partners			
Payments in Advance			Should not be done unless strictly necessary
Financial Reporting to the Management Board			What form will the reports take and how often will they be required?
Council & Member Reporting			How will Council management and Members be kept up to date with the projects progress and any emerging issues?
Integra – use of and access to			Problems with remote sites
Integra coding structure			
Revenue implications of capital developments			Any ongoing liabilities will need to be funded
Asset Register			Does the project require a separate asset register to be kept?
VAT			Implications especially for partnership working
Leasing			
Payroll			Will be required if staff are to be employed
External Audit			Fee will need to be included within the project budget
Internal Audit			
Payment of invoices			
Petty Cash			Will a float be required?
Credit Cards			
On Line Ordering			Access and authorisation
Sundry Debtor Accounts			
Support / Internal recharges			As far as possible these costs should be funded from the grant
Receipting of Income / Control			Will cash or any other form of income be received
Banking arrangements			Will the scheme require separate banking arrangements?
Sustainability			Is there a robust business plan? Is the Council protected from future risk?
Are any activities ultra vires?			

What risks can be identified?

Each project will have individual risks associated with it, which should be assessed and if possible quantified. Proper internal controls can then be put in place, in conjunction with Audit, Risk & Business Continuity, to mitigate these risks. Here are some examples of common themes.

- Incorrect treatment of VAT could lead to a fine and prosecution by Customs & Excise;
- Ineffective budgetary control may lead to the Council having to make up any shortfall in grant funding;
- Failure to achieve agreed outcomes and milestones may lead to funding being withdrawn;
- Inappropriate use of resources may result in expenditure being ineligible for grant support;
- No effective exit strategy may result in additional costs being incurred to support service delivery;
- Costs could fall to the Council if the ongoing revenue consequences of capital developments are not fully determined.

What terms would repayments operate under?

The cost of support from Financial Services will be charged to the relevant schemes through the support charges mechanism. During the pre bid and bidding stages, as schemes are unlikely to have a distinct budget area, any costs incurred will be charged to the instigating department.

Whilst the scheme is being delivered, any difference between the actual support costs and those that it has been agreed can be grant funded, will be a net cost to the Council and will need to be funded.

10b) SERVICE FRAMEWORK: AUDIT, RISK & BUSINESS CONTINUITY SERVICES

Introduction:

Audit, Risk & Business Continuity is a key element of effective decision-making. It is essential that this service is contacted at the earliest opportunity in order to support the bid throughout each stage of its development and implementation.

Consideration needs to be given to each of the services provided:

- ◆ Internal Audit & Consultancy Services
- ◆ Risk Management
- ◆ Insurance
- ◆ Corporate Procurement

Our Approach:

Audit, Risk & Business Continuity will support the project throughout each stage of the bid development, offering advice and more specialist expertise where appropriate – **see below for the detail on each one of the above service areas**. The service will also act as necessary to ensure controls are in place to protect the public purse, meet statutory obligations and limit financial liability falling to the Council.

The responsibility for the project, however, remains with the project lead officer.

Key Contact Points:

Angela Clarke, Chief Internal Auditor

01268 294732

Gerry Levelle, Head of Audit, Risk & Business Continuity

01268 294617

Internal Audit & Consultancy Service –

Introduction

The Internal Audit & Consultancy Service provides an independent assurance and review function for all activities of the Council, including partnerships. In addition to these reviews, audit staff are available to provide general advice in relation to financial and management control arrangements. Internal Audit staff work for Basildon Council. Internal Audit are also responsible for the investigation of any financial irregularity.

The role and authority for Internal Audit is set out in the Council's Financial Regulations – Section 17, and this guidance should be read in conjunction therewith.

Internal Audit will not normally be involved with your project, as a matter of routine (unless the funding agreement contains a specific requirement for such coverage), however, where significant risks are highlighted Internal Audit reserve the right to undertake a review. In addition, as part of the Managed Audit requirements it may be necessary for Internal Audit to review the procedures for payments through Creditors and the raising of invoices through Sundry Debtors.

Key Contact Points:

Angela Clarke: Chief Internal Auditor 01268 294732
Paula Rogers: Group Auditor 01268 294735

Our approach:

When a scheme is to be the subject of an independent review, a senior member of the Internal Audit team will contact the project manager and arrange an 'entry' meeting. At this meeting the following will be agreed:

- The scope of the audit work to be undertaken
- The auditors who will undertake the work
- The timing of the audit review
- Key contact points within the scheme
- Key documents that will be required

At the conclusion of the audit review, audit staff will arrange another meeting to discuss the key findings and draft recommendations to address any weaknesses identified. A draft report will then be issued to the project manager, and to the instigating officers and Basildon Council Head of Service for comment. A final audit report will be issued after consultations, with a copy provided to the relevant Basildon Council Executive Director.

A follow-up review will be undertaken, in line with the timescales for the recommendations, to ensure that the recommendations have been adequacy and timely addressed by the scheme.

Key requirement from project management staff:

- To fully cooperate with the requirements of the audit at all times, and provide all necessary documentation and explanations required.
- To implement all agreed audit recommendations within the agreed timescales
- Any members of staff or management who discovers or suspects any form of financial irregularity (affecting cash, stores, stock, property, or documentation) must immediately inform the key contacts identified above.

Stage	Requirements
Pre-Bid	Unless a direct appeal for assistance is made to Internal Audit – it is unlikely that they will be involved at this stage.
At this stage the Pre-Bid is judged by an Executive Director – ensuring that it appropriately meets the Strategic Aims of the Council.	
Bidding	<p>Communicate to Internal Audit that the bid is being put together, this may simply be highlighting that the entry is on the Corporate External Funding database – for them to download.</p> <p>Once the risk assessment of issues has been undertaken a copy of this will be sent to Internal Audit, or updated on the Corporate External Funding Database for them to access.</p> <p>Upon receipt of the bid and it's affiliated risk assessment– Internal Audit may decide to instigate developments in support of the bid.</p> <p>However the instigation of these developments must reflect the risk that the bid will not be successful when tendered. As such – a swift overview sheet will be required that covers the following steps:</p> <ul style="list-style-type: none"> • Identification of whether an audit is called for based on tendered bid. • Identification of the type of audit required. • Identification of the times of auditing within the lifespan of the project. <p>The overview sheet may be included with the Corporate External Funding Database.</p> <p>At the end of this stage – the instigating service will contact the Internal Audit representative to inform them that the bid is has been made. This ensures that Internal Audit is kept up to date on potential developments.</p>
The bid is sent off to the Funding bodies – it is unlikely that Internal Audit will perform any function during this stage.	
Set up of Project	<p>Full details of the accepted bid are sent to Internal Audit for 'comments'.</p> <p>'Comments': at this stage the Internal Audit team must act swiftly if the need for their work had been identified at the bidding stage.</p> <p>If their services had been clearly required or requested Internal Audit should perform the following:</p>

	<ul style="list-style-type: none"> • Define what type of audit is required based on the conditions provided. • Provide guidance on how to prepare for an audit – and the issues that will be specifically examined. • Provide project officers with a series of dates in which a meeting can take place to discuss the required audit/s. • Identify the information the Internal Audit team has access to. • Explain their Investigatory duties. • Provide details of the recharge fees that can be claimed for their services. <p>During the set-up of the project Internal Audit is available to provide advice and guidance on specific control issues.</p>
Duration of Project	<p>During the entry/preliminary meeting with the project representative before the commencement of an audit review the Internal Audit representative will:</p> <ul style="list-style-type: none"> • Discuss the chosen audit type in more detail to ascertain its appropriateness. • Consider any risks highlighted by the overall assessment. • Discuss the timing of the project. • • Highlight 'guidance' as required. • Explain the reporting protocols including that any report will be provided to relevant Council Executive Directors and where necessary to the Funding body (at either the close of the project or following the audit review). <p>Other duties: Internal Audit may also operate as an Investigatory function during this period. Clear guidance on whether this is appropriate to the project will need to be defined.</p> <p>Internal Audit is available to provide advice and guidance to the project on specific control issues.</p>
Closure of Project	<p>An audit may have been considered necessary at this stage. The audit process will be the same, although timing of the review may need to be more precise depending upon the specific risks identified.</p>
Post Project Administration	<p>Overall data on project to be archived and retained in line with the Data Protection Act.</p> <p>Internal Audit to highlight any new practice or legislation that may impact on the provision of services – for inclusion into the EFF and guidance.</p>

The kinds of Audit that can be provided (and at what stages):

1. Systems establishment (set up of project)
 - Payroll.
 - Creditors/ Petty Cash / Expenditure
 - Debtors.
 - Accounts.
2. Output lead (during project)
 - a. Examine the objectives and performance targets of the project and review the supporting documentation to provide assurance over the actual performance achieved and reported.
3. Risk (at any point of the project)
 - a. To examine the highlighted or recurrent key risks identified or associated with the project, and provide assurance that these risks are being adequately managed by the project.
4. Compliance with the Funding Bodies Guidelines (over the lifetime of the project).
 - a. To see whether the project complies with the guidance provided by the Funding Body, to achieve the objectives of the bid.
5. Certification of grant claims - As defined within the bid guidance
 - a. This may represent the audit of a certificate or other kind of award.
6. Ad-hoc Whistleblowing investigation of fraud/ etc.
 - a. This is not requested by the project, but may be required to be undertaken on a project if fraud or other financial problems are identified.

Duties of a project:

- To operate and comply with Basildon District Council's Financial Regulations and associated Financial Procedure Notes.
- To operate and comply with Basildon District Council's Human Resources Procedure Notes.
- To ensure a robust Internal Control Framework is put in place to manage the project.
- To ensure that staff and stakeholders of the project are made aware of the Council's procedures for Whistleblowing.

Cost of a project and recharging:

An audit review will require at least fifteen days. It can be expected that a larger project can require approximately twenty-five days. A project that operates many 'daughters' may require even more time for appropriate study. For the purposes of this draft document, the use of an auditor for a day is £300. This means that a typical audit will cost £4,500.00+.

Note that the charging rational of an audit project may, however, be determined by the Funding Bodies regulations. For example, based on actual hours worked and individual auditors charge out rate.

Whilst an Executive order may force Internal Audit to 'cover the cost' – the preferred cost routes are:

- The project itself: If an audit/s is required by a given project – it is preferred that the cost is 'built into' the projects budget.
- The instigating service: may have to provide funding if an ad-hoc audit is required. This will have to be built into the risks for the service.
- Support services directorate: may have to provide funding if the issue specifically relates to financial misuse or fraud.

Risk Management –

Introduction

Risk can be identified as the chance or possibility of loss, damage, injury or any failure to meet stated or desired objectives. The success of any project (in both overall and specific element terms) will depend upon proper management of risks. To manage risks they must be identified, assessed and (where appropriate) controlled – which may be achieved through a number of differing mechanisms.

The project manager should undertake a project risk assessment. This will identify the key risks of the project and assistance is available, as required, from the corporate risk management team, with specialist advice for Business Continuity risks available from the Principal Emergency Planning & Business Continuity Advisor. In addition, there are health and safety risks and it is expected that project managers undertake a specific health and safety risk assessment with assistance, as required, from the corporate Health & Safety Advisor at the start of the project, and comply with the Council's Health and Safety procedures.

Our approach:

Key to each stage of the process is for the project manager / instigating department to undertake a risk assessment. There is the option to have a meeting with a member of the corporate risk management team whereby an individual will assist in identifying the risks (current and future) associated with the project.

At the beginning of the bid the completion of a risk assessment proforma will be required – it will be the Risk Management team's approach to examine documentation and 'flag up' issues for discussion and assist in identifying any actions required. A Health and Safety inspection of the project workplace should be performed by a suitable qualified person, assistance is available from the Health & Safety Advisor if required.

Key requirements from project management / staff:

The responsible project manager (in consultation with relevant project staff) and using the documentation provided should:

- Undertake and document an initial exercise to identify all of the key risks associated with the delivery of the projects objective and all associated tasks. The process will also involve highlighting the control measures in place to mitigate the risks and the use of a scoring mechanism.
- Continually review the risks assessments throughout the duration of the project.
- To fully co-operate with Risk Management staff at all times.
- To implement risk reduction strategies within the given time.
- Undertake a Health and Safety Inspection.
- Continue to maintain Health and Safety procedures and practices across the lifetime of the project.
- Comply with the Health and Safety procedures of the Council.
- As and when required, to meet with Risk Management representatives and discuss the any issues arising.

Key Contact Points:

Angela Clarke, Chief Internal Auditor (also responsible for Risk Management)	294732
Sarah-Jane Newman, Risk Officer	294808
Glynn Gibson, Corporate Health & Safety Advisor	294212
Barry Rowswell, Principal Emergency Planning & Business Continuity Advisor	294649

Stage	Requirements
Pre-Bid	<p>There are four generic risk questions:</p> <ol style="list-style-type: none"> 1. The risk that the project will incur residual obligations after the end of its funding (i.e. staff or property will be retained despite the funding no longer being available for them). 2. The risk that the costs/effort made into crafting the project and creating the bid are greater than the benefits that the bid will incur. 3. That the work appropriately falls into the Strategic Plan aims of the council. 4. That there is sufficient funding for the bid. (e.g. match funding). <p>These should be sufficient for an initial assessment of whether a bid is worth developing by the instigating department. As such we do not expect corporate risk management team to be involved at this very early stage.</p>
<p>At this stage the Pre-Bid is judged by an Executive Director/s – which will specifically include the assessment of the above four risks.</p>	
Bidding	<p>Corporate risk management team are available for consultation/assistance by the instigating department/project manager in undertaking a risk assessment of the project (including Health & Safety and Business Continuity risks). A copy of the bid and associated guidance will be needed to undertake this exercise.</p> <p>The costs for any support or actions required will need to be analysed at the start of the bidding process to enable the correct funding to be included in the bid.</p> <p>The four 'generic' risks will have already been considered in determining whether the project should be considered, therefore at this stage the risks to the Council and the project need to be identified and analysed with any resultant changes made to the bid.</p>
<p>The bid is sent off to the Funding Body</p>	
Set up of Project	<p>The acceptance of the bid from the funding body is communicated to corporate risk management team.</p> <p>The corporate risk management team are available to provide advice and guidance regarding potential risks based on the current and potential work of the externally funded project/partnership.</p> <p>The project risk assessment will be input on the Council's Corporate Risk Register for monitoring of actions required.</p> <p>The project manager must undertake a Health and Safety assessment.</p>
Project Duration	<p>The project manager must update the project risk assessment as necessary throughout the duration of the project and advise the corporate risk management team in order to update the risk register.</p> <p>If it is decided during the risk assessments that Health and Safety arrangements are not adequate, the Corporate Health & Safety advisor may insist upon a further H&S review. The results of the H&S review will need to be incorporated into the previously performed assessment and any actions required will need to be undertaken and as necessary built into guidance or training by/to the project manager/staff.</p>
Closure of Project	<p>The project Manager, the corporate risk management and the Health & Safety services should consider any specific risks associated with the closure of the project and how to manage these.</p>
Post Project Administration	<p>Documentation relating to the project to be archived, in line with the retention policy.</p>

Examples of Risks in relation to Externally Funded Projects:

Health and Safety
Breach of corporate Health and Safety responsibilities / fines
Attacks on personnel
Non compliance with Health and Safety law
Crime and Disorder Act implications
Reputation through injury
Service Provision/Continuity Risks
Major changes in strategic direction
Contractor/Supplier failure with significant effect
Crash of IT systems affecting service delivery
Over reliance on key suppliers/contractors
Financial Risks
Various economic problems
Major funding issue missed
Major budget variation
Loss of income to the Council
Financial practices failures
Failure of major project(s)
Income not collected
Health and Safety
Breach of corporate Health and Safety responsibilities / fines
Attacks on personnel
Non compliance with Health and Safety law
Crime and Disorder Act implications
Reputation through injury
Financial Risks
Various economic problems
Major funding issue missed
Service Effectiveness
Takeover of services by government/agencies
Failure to show best value
Failure to recruit and retain quality staff
Inefficient management processes
Inability to implement change
Bad management of partnership working
Failing to guard against civil litigation
Ineffective prediction of trends and forecasting of service needs
Value for Money
Too slow to innovate/modernise
Decisions based on incomplete information
Missed business and service opportunities
Failures in partnership working
Failure of bids for government funds
Quality issues
Security Risks
Security policies
Loss of physical assets

Fraud and corruption
Breaches of security of network and data
Crime and disorder
Civil unrest
Compliance
Not meeting statutory duties/deadlines
Breach of legislation/DPA/Human Rights
Failure to implement legislative change
Not meeting government agendas
Judicial review
Intervention by regulatory bodies
Inspectorates (e.g. Audit Commission, Best Value Unit)
Receiving unacceptable CPA assessment
Not achieving statutory duties/obligations

Categories Of Risk

Compliance Risks – Risks that would cause a breach of the legislation or standards.

Environment Risks – A risk that would cause any sort of pollution including noise etc.

Financial Risks – A risk that would cause the Council financial loss.

Health and Safety Risks – Risks relating to the health, safety and well being of staff and the public.

Reputation Risks – Risks that could cause the Council to be poorly regarded.

Security Risks – Risks that would cause a loss of any asset of value to the council.

Service Effectiveness Risks – Risks that would prevent the service being delivered and achieving its objectives.

Service Provision/Continuity Risks – Risks that would break in service delivery.

Value for Money Risks – Risks that would lead to waste or inefficiency.

General Notes: Risks will not wholly depend on the above checklist – for any given project may raise a variety of risks that are not defined above. We advise obtaining as much detail as possible regarding the project to ensure that risks can be appropriately assessed and actions recorded.

What is the timing of a particular service?

Risk Assessments will be made regularly and should have little additional impact on the operations of the project itself. They should, however, enable the project manager to be able to assess/ control/ and avoid potential risks. The on-going assessment also operates as a history of the management of the project – and can be used to assess the effectiveness of the project overall and to assist the project manager to 'get it right' first time.

The Health and Safety assessment will operate at the start of the project and need to be continually updated throughout the life of the project by the project manager. A typical assessment will have some impact on the day-to-day work of the project with any actions required having to be implemented, including seeking appropriate guidance or training.

What can be put in place to assist officers to get their work done?

We can provide some guidance on Risk Management if required – but it is our understanding that the project manager will be in the 'best' place to assess the risks. Our duty is to engage the manager to inform us of these risks and advise where possible.

Health and Safety is an issue that the project manager should 'lead' on. Our duty is to assess whether the work performed is sufficient for the project.

Cost of a Project and Recharging:

Basic costs:

Officer time

Health and Safety measures

Materials and Guidance

Training.

It is preferable that aspects of the service provision are effectively covered by the bid in full – but we recognise that this will not always be the case.

Insurance –

Introduction

Insurance can be identified as the purchase of a policy that places the insured in the same pecuniary position that they occupied immediately before the happening of an insured event, or the provision of cover for injury, damage or financial loss for which the insured could be held legally liable.

The activities of an outside body, such as a partnership, cannot be covered by the Council's insurance policies in the majority of circumstances. Therefore, it is necessary for the outside body to purchase their own policies to protect their assets, staff and liability risks.

The success of any project (in both overall and specific element terms) will depend upon the proper identification of these insurable risks and the purchase of appropriate insurance.

We propose that the majority of the insurable risks will be identified in association with the project manager. This ensures that the project manager takes ownership of any identified insurable risks and receives relevant support to tackle issues surrounding such risks.

Our approach:

Key to each stage of the process is to seek advice from the Principal Business Risk & Insurance Officer or a member of the Insurance Section, who will sit and discuss all insurance requirements associated with the project. Such a meeting must be arranged within suitable timescales and during the early stages of a project set-up, to enable appropriate advice to be provided in a timely manner.

At the beginning of the bid a basic sheet of insurable risks by stage and frequently asked questions (see below) will be used as a discussion tool to assist identification of insurance requirements. It will be the Insurance Section's approach to examine documentation and 'flag up' issues for discussion and decide on the minimum indemnity level requirements for the Public Liability policy.

Key requirements from project management/ staff:

The responsible project manager (in consultation with relevant project staff) and using the documentation provided below should:

Undertake and document an initial exercise to identify all of the key insurance requirements i.e. liability, property, money etc.

Ensure the minimum requirement of public liability insurance (as stated by the Insurance Section) is placed with a competent and professional insurer and renewed annually.

To produce copies of relevant policy documentation to the Insurance Section within the given timescales.

Continue to monitor insurance requirements.

To fully co-operate with Insurance staff at all times.

If required, to meet with Insurance representatives and discuss the issues clearly.

Key Contact Points:

Nikki Ward: 01268 294648

Stage	Requirements
Pre-Bid	We do not expect Insurance to be involved at this very early stage. At this stage an Executive Director judges the Pre-Bid. The Insurance Section may be requested to provide their opinions at this stage.
Bidding	The Insurance Section will be sent a copy of the bid (and any associated guidance) at an early stage and provide initial feedback and opinions. A 'generic' list of insurance policies that are detailed below, will need to be analysed at the start of the bidding process to enable the correct funding for insurance premiums to be included in the bid. Insurance will raise issues to enable effective planning of resources and actions. Final documentation regarding the bid should be passed to the Insurance Section for their records.
The bid is sent off to the Funding bodies – it is unlikely that the Insurance Section will perform any function during this stage.	
Set up of Project	The acceptance of the bid from the funding body is communicated to the Insurance Section, whose duty is to provide detailed comments on cover requirements and confirm potential insurable risks based on the proposed work of the externally funded partnership. The Insurance Section are able to assist in the completion of insurance proposal forms, where required. The Insurance Section will request and keep a copy of the liability insurance policies and request further copies annually at the time of renewal.
Project Duration	Other duties: Bring to the attention of the Council's Insurance Section any new and emerging insurable risks identified at any stage. Discuss current expenditure relating to Insurance services. Insurance Section to record details of liability insurance and request further copies annually at the time of renewal.
Closure of Project	Any final documentation, including relevant insurance policies should be provided to the Insurance Section.
Post Project Administration	Insurance Section to archive records of liability insurance and all documentation relating to the project, in line with their retention policy.

Checklist of Insurance Policies for consideration:

- Public Liability – essential, with a minimum limit of indemnity of £2 million, or as advised by the Insurance Section
- Employers Liability – essential
- Officials or Professional Indemnity
- Libel & Slander
- Property – Material Damage
- Loss of Revenue

- All Risk
- Theft
- Computers
- Motor Vehicle
- Money
- Fidelity Guarantee

General Notes:

Insurance requirements will not wholly depend on the above checklist, as any given project may raise a variety of insurable risks that are not defined above. The Insurance Section will obtain as much detail as possible regarding the project to ensure that risks can be appropriately assessed and actions recorded.

Checklist of frequently asked questions for consideration:

- Who is the accountable body?

This information will enable the Insurance Section to advise on Public Liability Insurance policy requirements.

- What are the proposed activities of the partnership?

This will enable the Insurance Section to establish the required limit of indemnity for the Public Liability policy.

- Are employees paid by the Council or the partnership, who is responsible for hiring and firing the employee's and who provides their equipment and controls their daily actions?

This information will enable the Insurance Section to advise on Employers Liability Insurance policy requirements.

- Does the partnership perform any functions for an outside body for a fee or under a contract?

This information will enable the Insurance Section to advise on Professional Indemnity Insurance policy requirements.

- At which property/building will the partnership be based?

This information will enable the Insurance Section to advise on buildings Insurance policy requirements.

- What equipment does the partnership own?

This information will enable the Insurance Section to advise on Contents, Theft, All Risk and Computer related Insurance policy requirements.

- Will the partnership be responsible for/own any vehicles?

This information will enable the Insurance Section to advise on motor insurance policy requirements.

- What money will the partnership be responsible for?

This information will enable the Insurance Section to advise on pecuniary insurance policy requirements.

What is the timing of a particular service?

The assessment of insurable risks and insurance requirements will operate from the start and for the entire duration of the project. A typical assessment and the resulting procurement of relevant insurance policies will have some impact on the day-to-day work of the project, which will need to be taken into account by the project manager.

What can be put in place to assist officers to get their work done?

The Insurance Section can provide some guidance on insurance requirements where required, but it is our understanding that the project manager will be in the 'best' place to assess the insurable risks.

What terms would repayments operate under?

The cost of the bid should include the following:

Basic costs:

Officer time

Insurance Premiums

It is preferable that aspects of the service provision are effectively covered by the bid in full, but we recognise that this will not always be the case.

Corporate Procurement –

Introduction

Corporate procurement is responsible for the provision of advice and guidance to the Council on general procurement issues, types of procurement, value for money contracting, qualitative elements, corporate procurement strategy, and collaborative procurement initiatives and opportunities.

Corporate procurement objectives are:

To make sure that all purchases of goods, works and services promote the Council's Strategic Plan, core values and corporate aims of the Council.

To maximise the buying power of the Council and its partners so that officers of Basildon Council can demonstrate the best mix of quality, economy and efficiency for the price they pay.

To maximise the use of collaborative, corporate and framework contracts and agreements, and other methods of supplier access,

To make sure procurement processes are clear and transparent and comply with the Council's policies and standing orders and wider legislative considerations.

To encourage and assist with utilisation of electronic methods wherever advantageous.

To minimise the effort it takes for officers to procure the resources they need to delivery quality services.

To promote the Local Economy

Key Contact Point:

Sandra Lynch, Principal Corporate Procurement Advisor 01268 294492

Our approach:

Corporate procurement would appreciate being consulted at the start of any project or bid in order to:

Signpost to collaborative opportunities,

Inform on compliance with contract procedure rules, EC directives and other related corporate policies and requirements,

Provide guidance on how to improve procurement performance,

Provide guidance and support throughout the bidding process,

Provide guidance on procurement processes including evaluation techniques,

Advise on timelines and requirements in relation to the National Procurement Strategy,

Assess for fit to other government requirements.

Support on each of the above areas is likely to be ongoing throughout the project as each stage is approached.

Key requirement from project management/ staff

Assessment of:

- The impact on strategic plan aims;
- The impact on the local economy;
- Cost and Quality
- Race and Equalities impact;
- Environmental impact;
- Sustainability;
- Health and safety;
- Available funding for the purchase;
- Any risk to the Council.

Stage	Requirements
Pre-Bid	Sandra should be contacted with a brief outline of the expected outcomes of the project. This will allow initial signposting and regulatory obligations to be explored and inform the bid.
At this stage an Executive Director/s judges the Pre-Bid. Corporate Procurement may be requested to provide their opinions at this stage.	
Bidding	Many funding streams are focussed on collaborative working and/or community benefits. Corporate Procurement may be able to assist with best practice examples and if competition is required can advise on the route and timetable required.
The bid is sent off to the Funding bodies – it is unlikely that Corporate Procurement will perform any function during this stage.	
Set up of Project	Notification of bid success may trigger a need for timetabling a competitive element into the project plan and discussing options for delivery. Failure of the bid may require other/conventional methods of procuring the service/project to be examined. Advice re options should be sought.
Project Duration	Advice and guidance on competitive element of procurement including advertising requirements, contract documentation, evaluation, selection and post tender dialogue.
Closure of Project	Unlikely involvement will be required
Post Project Administration	Documentation relating to the project to be archived, in line with the retention policy.

General notes:

It should be recognised that the project team will be focussed on the outcomes of the project and may not always see the procurement element

contained within the bid and the project. It is therefore important that corporate procurement is consulted at an early stage in order to highlight where the need for advice and guidance lies.

Key Questions.

How will the project outcomes be delivered?

By the Council? Whole or in part?

In partnership with other public authority(s)? Whole or in part?

In partnership with a private sector organisation(s)? Whole or in part?

In partnership with other public authorities and private sector organisations? Whole or in part?

In partnership with the voluntary sector? Whole or in part?

In partnership with a social enterprise(s)? Whole or in part?

Outsourced to any of the above on a contract basis? Whole or in part?

What Risks can be identified?

Failure to comply with EU regulations

Failure to comply with National statutory obligations

Failure to comply with the Councils Standing Orders

Disputes/claims against the council for not following statutory guidance on procurement practices

Failure to achieve value for money

Missed opportunities to help increase the Councils CPA score by working collaboratively, meeting the National Procurement Strategy, use of resources etc.

Failure to comply with the Council's and National procurement policies including Race and Equality, Sustainability and Inclusion.

Guidance:

Contract procedure rules

Procurement framework

Financial regulations

Other Issues:

It should be noted that although compliance with standing orders is sought they should not stand in the way of innovative ways of delivering a customer focussed service. Changes to standing orders can be considered on the basis of an effective business case.

Cost of a Project and Recharging:

Basic costs: Officer time, Materials, Training and Guidance.

It is preferable that aspects of the service provision are effectively covered by the bid in full – but we recognise that this will not always be the case.

10c) SERVICE FRAMEWORK EXAMPLE: SUSTAINABLE COMMUNITY SERVICES

Sustainable Community Services is committed to bring about real lasting economic and social improvements by working with the communities in the Basildon District.

In order to meet the needs of the community and to improve the quality of life for the District's residents, our team have developed many multiagency partnerships with organisations and agencies from the Public, Private, and Voluntary and Community Sectors.

Sustainable Community's many services include: Community Engagement & Consultation, Business Support, Economic Development, Social Inclusion, Voluntary & Community Sector Support, Services for Young People, Services for Older People, A Care line, Bus Passes, Day Centres, and Halls for Hire.

If your project deals with the Voluntary & Community Sector, Services for Young People, Services for Older People, Partnering with Businesses, or Community Engagement and Consultation, then you will want to call Sustainable Community Services.

Key Contact Points:

Yvonne Frayling, Manager, Sustainable Community Services,	Ext. 4525
Norman Redican, Voluntary & Community Sector Support Officer	Ext. 4068
Tracey Ridgewell, Youth Sector Development Officer	Ext. 4052
Gunilla Edwards, Economic Regeneration Officer (Business/Economic Development)	Ext. 4230
Abbas Mirza, Community Regeneration Officer (Community Engagement & Consultation)	Ext. 4361
Leah Douglas, Community Regeneration Officer	Ext. 4829
Christine Nurse, Community Operations Manager (Services for Older People)	Ext. 4439

Sustainable Community Services has three roles in relation to bidding for external funding;

1. Bidder - Instigator
2. Support and development of bids for external funding
3. Custodian and Manager of the external bidding process

The following pages describe Sustainable Communities actions in relation to each of these roles.

1. Instigator Role

When bidding for external funding, Sustainable Community Services will follow the steps outlined in *The Bid Process – A Generic Framework for Any Service* and adhere to the requirements of the External Funding Framework.

2. Supporting Role

Stage	Sustainable Community Services
1. Pre-Bid	Sustainable Communities Service will be able to advise prospective bidders on the completion of the pro forma and the specific requirements. Once the pro forma is completed, feedback will be given and any additional information collected to enable the form to be presented to Head of Sustainable Community Services for scrutiny. Should community consultation be required to confirm the need for the project and to confirm the planned outcomes and outputs, support will be given to identify appropriate groups and methods of consultation and to carry out required consultation.
2. Bidding	Support will be given to successful Stage 1 projects to take them through the Stage 2 Checklist and to ensure all relevant information has been gathered. Also advising on consultation required with internal and external stakeholders. Sustainable Community Services will also provide support to complete funder's application form and advice on issues such as collecting match funding.
3. Set up of Project	Sustainable Community Services will support successful projects to complete the PID and Project Plan and if required, assist in setting up systems for collecting financial information and information on required outcomes.
4. Duration of Project	Sustainable Community Services will have very little involvement at this stage other than being available for any advice and guidance in Project Management. However higher level of support through day-to-day project management is available if included as a cost in the bid application.

3. Management of the bidding process

Stage	Head of Sustainable Community Services
1. Pre-Bid	Scrutiny of pro formas submitted and approval procedures.
2. Bidding	Scrutinising of Stage 2 Checklist and funding application by Sustainable Community Services and sign off of the funding application by the Executive Director for Sustainable Communities and Development. Ensuring before passing the funding application to the Executive Director, that appropriate consultation has taken place both with internal partners and external community partners.
Set up of Project	Receiving PID and project plan for information and comments.

Cost of service

The development of a proposal and guidance of the process and requirements are part of the day-to-day duties of Sustainable Communities Service. However the Service also offers higher-level support, including project management and evaluation, which carry a cost. This cost can be built into the project at application stage and will not be an additional cost to the Instigator.

11. GLOSSARY

Accountable Body – is responsible for the delivery and management of the scheme, including ensuring best value, financial transparency and probity. It is the organisation that takes all the risks. This often occurs when the 'partnership' is not a constituted body. The organisation taking on the role of Accountable Body usually acts as banker and employer, and is financially and legally liable.

Capital Costs – these costs relate to assets, which have an expected life of greater than one year. Examples are major items of equipment, vehicles, buildings and renovations to extend the life of an asset or change its use.

Care should be taken as the grant conditions may specify a definition of capital expenditure, which is different to that stated in the relevant Financial Procedure Note. This may require different internal treatment of the expenditure to the reporting required for the grant.

Cash Match Funding – this is where additional costs, which would not have otherwise been incurred, are required to support the project. For example office equipment required for project staff, which would not attract grant funding. The estimated cost of cash match funding to the Council should be explicitly stated and separated from cash match funding received from other sources.

Checklist – Stage 2 – This form serves as a guide to help determine key elements, including resources, support, and involvement by Council Departments and potential risks in developing an externally funded project. The form requires consultation with Financial Strategy & Services, Audit Risk & Business Continuity, Human Resources & Organisational Development and Legal Services, as well as other departments as necessary. The form should only be completed after the Instigating Officer has received approval to work on the bid through an improved External Funding Council Project Pro Forma Form.

Expressions of Interest - some organisations have a two-tiered approach to funding. They ask for an initial summary bid known as the expression of interest. This contains very basic information that the organisation can review quickly and advise you whether it is worth submitting a full bid. You will need to advise on the pro forma if you will be submitting an expression of interest and of the deadline for submission.

In Kind Match Funding – this includes items like staff time, overhead costs and supplies and services. These are not additional costs incurred by the Council, but are resources redirected from their day-to-day use to support the project. For example, time spent by an HR Officer to recruit project staff. The officer would still be employed if the project were not taking place, so there is no additional cost to the Council, but the officer has been diverted away from their normal duties. The estimated cost of in kind match funding to the Council should be explicitly stated and separated from in kind match funding received from other sources.

Instigating Officer – The Council officer primarily responsible for developing or writing a proposal for external funding.

Lead Partner – facilitates the bidding process, submits the bid, answers queries from the grantor – quite often the chairman of the board.

Project Initiation Document – Stage 3 – the Project Initiation Document (PID) provides additional details about the project including information about the Project Manager, team members, stakeholders, consultation requirements, and consultation methods. The PID must be submitted to Sustainable Community Services along with a Project Plan during the set up stage of a project for any project over £25,000 in value.

Project Plan – Stage 3 – A chart used to identify project tasks, the responsible officer, timeframes for completion, whether the tasks are on track, and corrective actions. The Project Plan is a useful tool for any project. It must be submitted to Sustainable Community Services along with a PID during the set up stage of a project for any project over £25,000 in value.

Project Pro Forma Form – Stage 1 – Available on the Intranet under Corporate Documents/Regeneration, this form is used to capture information about an external funding project that a BDC officer would like to undertake and to determine whether the Council officer's time and/or other BDC resources should be expended on the external funding proposal.

The pro forma form must be completed for any external funding project or proposal that a BDC employee would like to undertake, and it is the first form that must be completed as part of the External Funding Framework.

Revenue Costs – salaries, consultancy, stationery, printing etc.

Service Frameworks – Guides that provide the Instigating Officer with information concerning BDC Departments, including background and contact information and the roles that the departments can play in each stage of the proposal/project process.

The Bid Process – a Generic Framework for Any Service – A table providing a brief overview of the grant stages and required actions for any Service wishing to apply for external funding.

Note: *Care should be taken in all cases, especially at the bidding stage, to review the specific grant conditions, as definitions of the various sources of grant and expenditure and grant-related terms will differ from scheme to scheme. The above should be viewed as general guidance in the absence of more specific grant instructions.*

12. JARGON BUSTER

Common Terms Used in Proposal Writing

(Please use only as a guide and refer directly to any definitions provided by the funder, as definitions may vary).

- **Stakeholders:** include service users, purchasers, funders, staff and volunteers, partners, members and supporters, trustee or management committee members
- **Users:** could include clients, residents or people who use the service (current and potential); members; agencies buying services on behalf of service users etc.
- **Resources:** include premises (owned, hired or leased); equipment – such as electrical, furniture, books, specialist aids, training equipment etc; IT; transport – vehicles run or provided by the organisation; food and equipment used in its preparation
- **Core Activities:** services and tasks you provide – making link between the objectives of the organisation and what you must do to achieve them.
- **Inputs:** are the activities you undertake to deliver the services your project will provide
- **Outputs:** are the services your project will provide
- **Outcomes:** are the difference those services will make to the people or organisations your project will benefit
- **Long Term Change:** is the longer term difference to people's lives that the project will make
- **Beneficiaries:** the people who will benefit from the work / services you offer
- **Monitoring:** routine and systematic collection and recording of information
- **Evaluation:** analysis of the information monitored
- **Performance Indicators:** well-defined, easily measurable information, which shows how well the organisation is performing
- **Profile:** the characteristics of a group of people or an organisation
- **Benchmark:** comparison of activities, processes or results with those already achieved by your organisation or by another organisation
- **Mission Statement:** a short statement of the overall aim or purpose of the organisation, usually concentrating on the difference it wants to make and defining the values that it will work by

- **Impact:** the effect of a service on a wider society than its direct users (can include affecting policy decisions at government level)
- **Baseline Data:** facts about the characteristics of a target group, population and its context, before the start of a project or programme
- **Expression Of Interest:** an outline proposal for a project that is submitted prior to the full funding application process – the funder will let you know if they want you to go ahead with a full bid to them.
- **Objectives:** the practical steps the organisation will take to accomplish its aims
- **Swot Analysis:** consideration of your strengths, weaknesses, opportunities and threats
- **Strategic Plan:** covers the vision of the future of the organisation and outlines the steps necessary to achieve this over 3 – 5 year period
- **Revenue Costs:** staff salaries, recruitment etc
- **Core Costs:** revenue costs plus your overheads.
- **Capital Costs:** equipment, building/refurbishment vehicles etc.