

**Grants Management in Wales**  
**Further comments to Public**  
**Accounts Committee**  
**January 2013**



Further to our written evidence to the Committee and our oral evidence session (May 2012) we have read, with interest, the Committee's interim report on Grants Management in Wales; the Welsh Government response and the supplementary comments provided by the Auditor General. Further to these we offer the following comments which we hope will help the Committee in their consideration of the content of the final report.

Overall we found the interim report very helpful and were pleased to see our evidence making an accurate and valuable contribution to the document. In particular, as we look toward the publication of the final report, we would be keen to see the content of sections 1 & 2 retained and not over-dominated by the associated work on AWEMA, which in many ways is organisation specific.

We also feel that it is important to note that while the original Audit Office report cited 480 separate schemes in operation in Wales these are predominantly grants to the public and the private sectors and only a small proportion fund third sector activity. However, much of the activity and attention post-AWEMA seems to have concentrated disproportionately on grants to the third sector.

On the specific recommendations:

**Recommendation 1**

*We recommend that the Welsh Government ensures that all grants have been reviewed as part of the Grants Management Programme, to ensure that they are the most effective means of delivering Ministerial objectives by 31 December 2013.*

We note that the Welsh Government Grants Management Project has reviewed all live grants in 2012. We are not clear in that case why it is further reviewing all or most third sector grant schemes again in 2013. It is important that this process of almost constant review has an end date and that stability is regained so that total concentration can be on delivery not review.

**Recommendation 2**

*We recommend that the Welsh Government considers the wide spectrum of funding options when reviewing the effectiveness of existing grants.*

We strongly support this recommendation but would wish to see a transparent process which demonstrates how different options are considered and the criteria used to make decisions. Without this the system remains opaque and the recommendations aspirational.

**Recommendation 3**

*We recommend that the Welsh Government should provide guidance to local authorities, to ensure they consider this wide spectrum of funding mechanisms (including grants and collaborative commission) for procuring the delivery of desired outcomes.*

We strongly support this and were pleased to see the Welsh Government accept this recommendation and suggest further work between WLGA, WAO and ourselves on this issue. As yet there has been no involvement of WCVA in this process and we are not aware of any activity in this area, we would like to see evidence of action to take this forward.

There is now some urgency to this as we are aware of organisations whose core funding has ceased and in future services are likely to be procured. This is happening with both local government and Welsh Government funding and we would like to see this important discussion about appropriate use of funding mechanisms take place as soon as possible and include WAO, WLGA, Welsh Government and ourselves.

### **Recommendations 6 & 7**

*We recommend that the Welsh Government ensures that managers make timely decisions on continuing or ending grant funding, and must abide by its Code of practice for funding the third sector.*

*We recommend that the Welsh Government publish an annual grants management report. This should include progress towards its target for administration costs and details of any non-compliance with its Code of Practice for funding the third sector.*

Again we strongly support this as many of the problems in grants management arise from Welsh Government staff being unaware of, or not abiding by, the Code of Practice for funding the third sector. It is thus surprising that the Code has not figured more highly in the work of the Grants Management Project which seems to concentrate purely on applicant compliance rather than customer service.

Many organisations are reluctant to report breaches of the code to the Funding and Compliance Committee. We therefore need the Grants Management Project to evidence that Welsh Government is complying and report any breaches it finds to the National Assembly once a year.

### **Recommendation 8**

*We recommend that the Welsh Government develops a transparent, proportionate and consistent business test for determining whether to make advance payments of grants to organisations.*

We are content with this but feel that any problems should be reported by either the Grants Management Project or the third sector to the Funding and Compliance Committee and adjustments made based upon practical experience.

### **Recommendation 9**

*We recommend that the Welsh Government accelerates its development of a range of standardised terms and conditions to particular types of procurement processes.*

It is unlikely that complete standardisation can be achieved. More rigorous accountability requirements should be costed with a view to taking out other conditions and therefore revitalising costs. Current practice will lead to a diversion of resources from the front line to reporting and accounting tasks. Again it should be reviewed by the Funding and

Compliance Committee in light of experience. Clauses which undermine the independence of the sector should be removed.

#### **Recommendation 10**

*We recommend that the Welsh Government establishes a single-point of contact for advice on funding applications (including, but not limited to, grants).*

We welcome a more external facing role for the Grants Centre of Excellence. This will require some publicity, a willingness to attend external events and meetings and a web presence. We do not believe that the Grants Centre of Excellence has the desire or capacity to replace the extensive funding advice services to the third sector provided by CVCs and WCVA or the one-stop funding portal (see: <http://www.sustainablefundingcymru.org.uk/fundingportal>)

#### **Recommendation 14**

*We recommend that the Welsh Government enables the ongoing provision of accredited training for grants managers. As part of this, we recommend that the Welsh Government monitors the effectiveness with which such training will be put into practice by grants managers.*

We welcome the Welsh Government requirement that their grants managers will have to attend and pass accredited grant management training. We would like to be assured that training in, understanding of and compliance with the third Sector Funding Code of Practice is central to this training for any officers working with the third sector.

We would be very happy to provide any further information that may be useful to the Committee and look forward to the Committee's final report on this important matter.

**Graham Benfield**  
**Chief Executive**  
**January 2013**