

Place and Resources Overview Committee

22 May 2025

Commissioned Grants for Direct Community Benefit Policy

For Decision

Cabinet Member and Portfolio:

Cllr S Clifford, Finance & Capital Strategy

Local Councillor(s):

Cllr Ryan Hope

Executive Director:

A Dunn, Executive Director, Corporate Development

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Report Status: Public (the exemption paragraph is N/A)

Brief Summary:

The draft Commissioned Grants for Direct Community Benefit policy and guidance offers an auditable and transparent commissioning process. This can be used as an alternative to the traditional procurement process where there is direct community benefit. This policy offers a more streamlined and user-friendly process for commissioners and the Voluntary Community Sector (VCS). It complies with National Government Grant Functioning Standards.

This report offers members of the Place and Resources Overview Committee the opportunity to review and make recommendations on the draft Commissioned Grants for Direct Community Benefit policy and guidance.

Recommendation:

1. Members of the Place and Resources Overview Committee review and comment on the Commissioned Grants Policy and approve its progression to Cabinet for discussion and approval.

2. Approve the recommendation that a status report goes to Commercial Board and Place and Resources Scrutiny Committee on an annual basis.

Reason for Recommendation:

Comments from the Place and Resources Overview Committee in response to this report will inform the development of the final Commissioned Grants policy.

1. Background

- 1.1 In 2014, the National Government Cabinet Office introduced a framework for general grants, known as Commissioned Grants. Defined as: grants made by departments or their grant-making arm's-length bodies to outside bodies to reimburse expenditure on agreed items or functions and often paid only on statutory conditions. They include competed, un-competed and criteria-based grants. These grants are closely related in administration to contract procurement, whilst remaining legally distinct.
- 1.2 The purpose of the [Government Grant Functioning standards](#) is to set expectations for the management of grants, and to promote efficient and effective grant making to ensure funding is used as intended and provides value for money through high quality delivery. This grant standard has been widely adopted across statutory sector bodies.
- 1.3 Following agreement at the Dorset Council Commercial Board, it was agreed to develop a draft Commissioned Grant policy with supporting guidance and processes to ensure Dorset Council has a consistent and fully auditable approach to commissioned grants for the purpose of direct community benefit.

2. Current Position

- 2.1 A draft policy, authorisation form to be known as 'Case for a Commissioned Grant', and supporting guidance document have been developed in consultation with senior commissioners across Dorset Council and with contribution from Dorset Council Senior Leadership Team, Cllr Clifford, Cllr Hope and stakeholders from the voluntary community sector (VCS). These are detailed in **Appendices 1, 2 and 3**.
- 2.2 The policy clearly lays out the following information for commissioners:
 - What is considered out of scope of the policy
 - Information for commissioners on deciding between a commissioned grant or a contract.

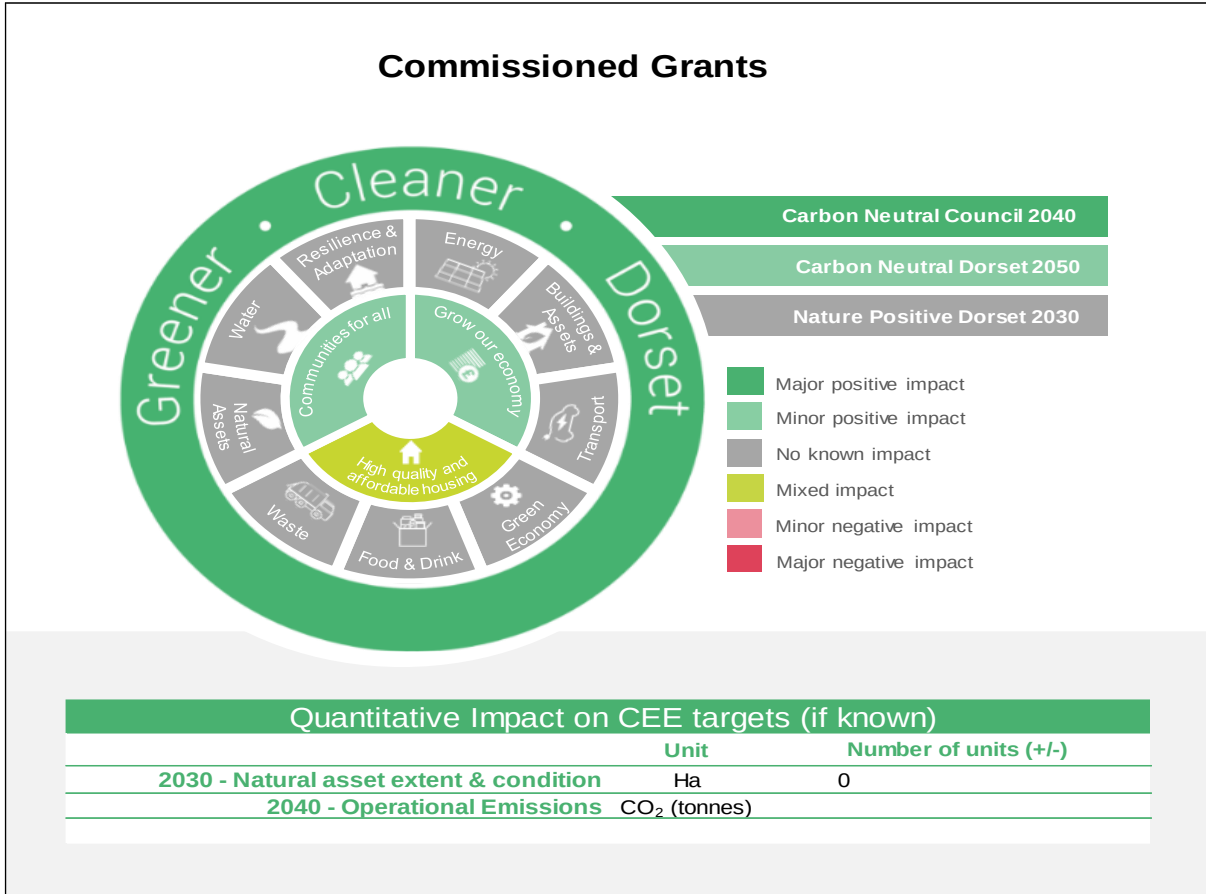
- Management of risk, compliance and supporting documents, subsidy control and authorisation levels
 - Information on which of the two commissioned grant processes maybe suitable.
 - Data sharing and promotion, monitoring and annual reporting
- 2.3 A central repository is under development to support officers with all information in relation to the Commissioned Grants process and management.
- 2.4 Following the adoption of the policy, a programme of training workshops will be made available to all relevant officers, including specifically tailored sessions for procurement officers, finance officers and officers across the business in commissioning-related roles to ensure the new policy and process is embedded within the authority.

3. Financial Implications

The Commissioned Grants policy will ensure that commissioned grants will follow the 7 principles of the Commercial Strategy including effective commissioning, strategic sourcing, partnership working and maximising the Dorset pound.

It creates an auditable framework for the management of commissioned grants.

4. Natural Environment, Climate & Ecology Implications



ACCESSIBLE TABLE SHOWING IMPACTS	
Natural Environment, Climate & Ecology Strategy Commitments	Impact
Energy	No known impact
Buildings & Assets	No known impact
Transport	No known impact
Green Economy	No known impact
Food & Drink	No known impact
Waste	No known impact
Natural Assets & Ecology	No known impact
Water	No known impact
Resilience and Adaptation	No known impact
Corporate Plan Aims	Impact
Grow our economy	minor positive impact
High-quality and affordable housing	neutral
Communities for all	minor positive impact

5. Well-being and Health Implications

There will be no direct implications on wellbeing and health.

6. Risk Assessment.

6.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

7. Equalities Impact Assessment

Equality Impact Assessment has been produced, currently awaiting sign off and will be available for Cabinet on 24 June.

8. Appendices

- Appendix 1 – Commissioned Grants for Community Benefit Policy
- Appendix 2 – Case for Commissioned Grant for Community Benefit
- Appendix 3 - Commissioned Grants for Community Benefit guidance document.

9. Background Papers

None

10. Report Sign Off

10.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

APPENDIX 1

Commissioning Grants for Direct Community Benefit Policy

1. Introduction

This policy outlines process for selection and award of provision commissioned under grant arrangements for a specific service or delivery of a project as an alternative to a commissioned contract. Commissioned grants may be awarded to any organisation or individuals, but are likely to be particularly suitable where there is a limited market offer or where the providers are primarily voluntary community sector organisations (VCSO) and/or for direct community benefit. A service commissioned grant can only be issued for direct community benefit as laid out under the 'General Grants' category in the [Government functional standards GOVS 051: Grants](#)

Commissioned grants are a form of commissioning because they result in a signed, legally binding agreement between the council and the provider that create obligations for both parties. However, they sit outside of the Contract Procedure Rules and procurement legislation which govern contracts for goods, works or services. The purpose of this policy and process is to ensure an impartial, unbiased and auditable procedure in the distribution of grants. It will also ensure Dorset Council gets best value and critical data on our investments. However, there may be exceptional circumstances where these standards may need to be adjusted, and senior officer discretion applied. This policy complements the [Commercial Strategy](#) which lays out the process for a procured process.

A commissioned grant can be awarded for revenue, capital or a project that is both for revenue and capital purposes.

Commissioned Grants will adhere to the [Commercial Strategy 7 key commissioning principles](#), [social value](#) and where appropriate, [Corporate Social Responsibility](#).

In exceptional circumstances a commissioned grant may be awarded as a temporary measure in an urgent situation to replace a contract which has resulted in provider failure to ensure a continuation of service for vulnerable residents for a maximum of 12-month period to allow long term commissioning to be completed. In this instance, all the usual processes and governance checks must be completed.

Dorset Council defines "direct community benefit" for the purpose of the Commissioned Grants policy and guidance as: Programmes and/or activities specifically designed to address identified local community needs and improve the overall health and well-being of the community. These may include:

- addressing health and other inequality
- driving sustainability of services or resources within the community
- supporting neighbourhood health initiatives.

2. Not in scope of this Policy

- Dorset Council Community Infrastructure Levy (CIL) and Section 106 funds. These have been devolved to Town and Parish Councils.
- Dorset Council competitive funds e.g. Culture and Community Project fund, UK Shared Prosperity Fund. These will be covered under the competitive grants protocol.
- Contracts. These will be covered by the Council's Contract Procedure Rules (which form part of our constitution) and the relevant procurement legislation.
- Dorset Council grants to businesses or individuals which are not considered direct community benefit.

3. What Dorset Council will not fund via commissioned grants

The following are not eligible for funding via commissioned grants:

- Public bodies/statutory sector organisations to carry out their statutory obligations
- The promotion of religious or political causes
- Retrospective funding – commissioned grants for work that has already started or been completed
- Organisations seeking to provide a Bursary; 1:1 coaching or an individual Grants programme using a Dorset Council commissioned grant.
- Organisations seeking to use a commissioned grant outside of the Dorset Council area (including the Bournemouth, Christchurch and Poole Council area).
- Organisations with excessive amounts of unrestricted funding (more than 12 months' unrestricted reserves)
- Medical research, feasibility studies
- Organisations previously commissioned or funded for a separate purpose via a competitive grants programme who have not completed their end of project report.
- Educational establishments such as schools, academy trusts, colleges and universities (unless independently constituted 'friends of' or PTA)
- Projects duplicating an existing commissioned service or provider in the same locality by Dorset Council, personal health budgets or other statutory sector organisation

4. Deciding between using a grant and a contract

Grants and contracts are different legal entities, and your choice of approach should be driven by the outcome required rather than the intended recipient of the money.

The following is a brief overview of the differences between a contract and a grant, in essence a grant gives the council less control over delivery and fewer contractual levers to manage performance.

When creating your Case for Commissioned Grant for this project, the pros and cons of using a grant or contract should be considered in consultation with the relevant

Procurement Officer to ensure the most appropriate model is selected to meet the council's needs. If you're unsure which would be most appropriate, then please contact legal services and procurement for advice.

	Contract	Grant
Purpose	Contracts are used to procure goods or services. They involve a buyer-seller relationship where the council is the buyer, and the contractor is the seller.	Grants are typically awarded to support a public purpose, such as research, community projects, or social programs. They are often given to non-profit organisations, educational institutions, to fund activities that align with council priorities.
Service Specification	Detail oriented and may set out specific actions or obligations on the supplier	Outcome based, allowing suppliers freedom to meet the outcome as they see fit
Performance management	Includes detailed performance obligations, KPIs or service levels to be hit so that the provider can evidence good service delivery	Includes general obligations around behaviour change
Repercussions for poor performance	Poor performance can be managed in detail through service credits, remediation plans and ultimately termination if not delivering	Management is limited meetings to discuss change and withdrawing the grant if not complied with
Risk and Accountability	Contracts place more risk on the contractor to deliver the agreed-upon goods or services, with strict accountability measures in place.	Grants often involve shared risk between the grantor and the recipient, with a focus on achieving broader public benefits.

The risk of getting it wrong

The difference between a contract and a grant is a question of fact and law. Regardless of the whether the document has a title of 'grant' or 'contract' it will be construed in accordance with the arrangement it describes.

A grant can be let in accordance with this policy, but a contract must be awarded in accordance with the Contract Procedure Rules and applicable legislation.

Therefore, if a purchase of services is called a 'grant' but in practice includes all elements of a contract, it will be considered a contract in legal terms and could be in breach of both internal and external rules.

5. Management of Risk, Compliance & Supporting Documents

Dorset Council has a responsibility to take upmost care with public funds and will require evidence of the following documents as a minimum.

The level of documentation and risk assessment must be proportionate to grant level. Some commissioned grants may require additional risk assessments, governance documents such as financial evaluation checks; Equality Impact Assessments (EqIA), Data Protection Impact Assessments (DPIA) or documentation relevant to the specific service which will need to be specified in the grant criteria.

The below are a list of compulsory governance and compliance documents that must be collated for all commissioned grants before awarding the grant.

Document	Condition	Rationale
Constitution/ Memorandum of Articles and Association/Company' s House registration	Essential for all	Demonstrates the organisation has guidelines to its purpose and how it is governed. A management committee, Board of Trustees or Board of Directors with at least unrelated people as members
Annual Accounts	Essential for all	These can be audited or independently examined accounts or an income/expenditure spreadsheet depending on the size of the organisation. Demonstrates the financial position of the organisation regarding income, expenditure, loans, reserves, liabilities etc. New organisations without annual accounts may submit a financial forecast as an alternative

Document	Condition	Rationale
Bank Statements	Essential for all	Demonstrates that the organisation has a bank account in their name with 2 unrelated signatories, and we can confirm bank account details. Important that it shows account name, sort code and account number clearly of applicant.
Safeguarding Policies / Equal Opportunities/ Safer recruitment	Essential for all	To demonstrate that the organisation has robust policies in place. All Children's and Adults service grants must include safer recruitment
Environmental Policy or Statement	Essential for all	To demonstrate the organisation considers how their work has an environment impact
Public Liability Insurance at £10,000,000	Essential for all	To demonstrate the organisation has appropriate safeguards in place
CIFAS Fraud checks	Essential for all grants over £100,000	To manage the risk of the grant. Fraud Checks Process 2025 2.docx

Some additional examples of governance documents can be found in the Commissioned Grants guidance document (*link when live*).

** For new/emerging or micro-organisations who do not have their own bank account, Dorset Council recommends that their local Town or Parish Council be the bank account holder. Dorset Council cannot pay commissioned grants into an individual's personal bank account.

6. Subsidy Control statement

The Subsidy Control Act 2022 ("the Act") is the legislation covering payments by state bodies following Brexit (previously known as State Aid).

An arrangement will be considered financial assistance under the Act if it confers an economic advantage on the recipient, meaning equivalent support cannot be found on the commercial market. Common examples of financial assistance are cash payments, payments given under any arrangement that is not a procured contract for services or goods, loans with low interest rates, free or low-cost use of equipment or office space.

Government guidance sets out the process for determining whether a payment would constitute financial assistance which is available here [Subsidy Control rules: quick guide to key requirements for public authorities - GOV.UK](#)

Even if a payment does constitute financial assistance, there are situations where it is allowable to make the payment, including:

- If the assistance is of low value
- If the assistance comes under one of the 'streamlined' approaches available to achieve research, development and innovation, net zero or local growth

When formulating your expression of interest for a commissioned grant, you must consider and record whether the proposed action constitutes financial assistance under the Act and if it does, whether it is allowable under an existing scheme.

Direct commissioned grants pose a much higher risk than competitively commissioned grants and must be carefully reviewed to ensure subsidy control compliance.

If you require advice on the application of the Act please contact legal services.

7. Authorisation Levels

Authorisation levels to reflect grant value will reflect those listed in the Dorset Council constitution under the scheme of delegation levels to sign off.

Total Grant award	Level of Delegation
f<£50,000	Service Manager
<£100,000	Head of Service or Corporate Director
<£500,000	Executive Director
>£500,000	Cabinet approval

8. Direct Commissioned Grant Award vs. Expression of Interest for a Commissioned Grant

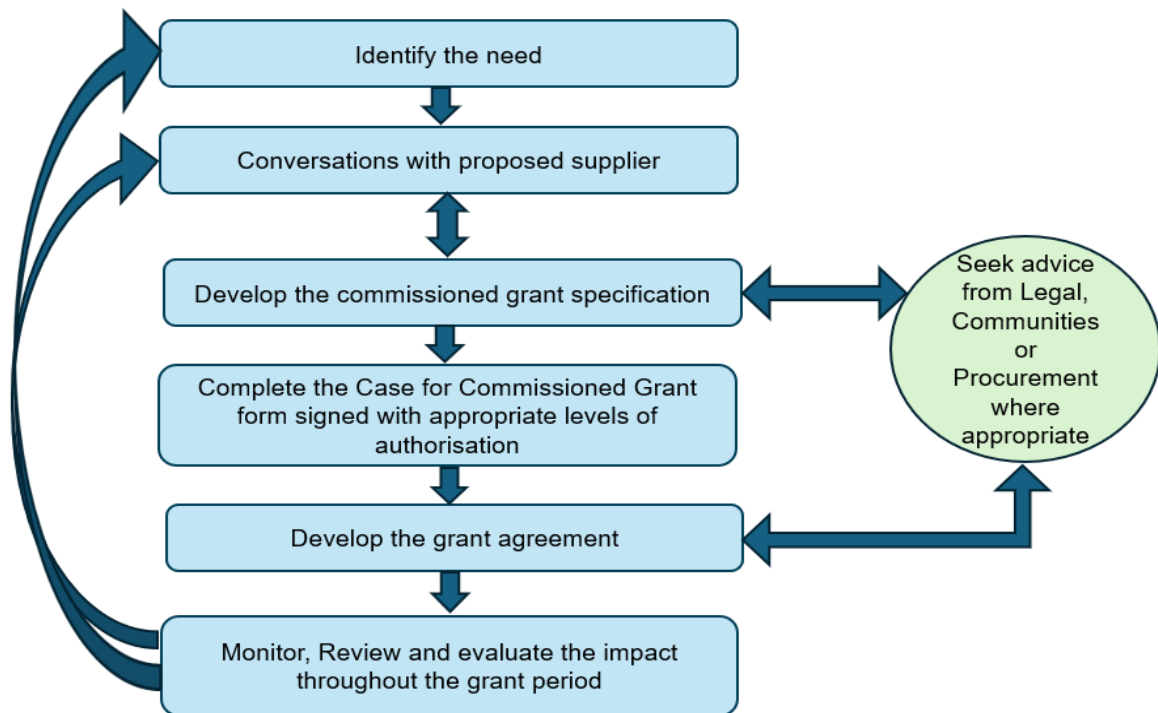
- Dorset Council defines a direct commissioned grant award as: funding provided by Dorset Council directly to a recipient organisation to carry out a specific project or service without a competitive process. The funding entity identifies a specific need or project usually for the purpose of a pilot to support innovation of a new strategy or way of working, or where there is only 1 provider who can deliver this service in the geography or the required standard.
- Dorset Council defines an expression of interest grant process as: the formal process where an organisation or organisations indicates their interest in bidding for a specific project or contract

The Commissioner or other delegated person will need to consider whether a direct award or an expression of interest for a commissioned grant quote process will be appropriate. Unlike the procurement process, with the appropriate justification and sign off, a direct award can be offered, particularly when the commissioner is confident that an advertised competition would consume council resources without yielding an optimum outcome. Best value equates to more than just price. You may wish to consider your existing supplier relationships and service delivery experience, internal resource and timescales, cost of running a competitive exercise versus expected savings. This justification will be laid out in the Commissioned Grant Application form. However, the following areas and questions will need to be given consideration as to whether a direct award or competitive process should be adopted.

- Competitive market
 - Has the commissioner explored all possible alternative market providers?
 - Are there any other known providers that could deliver the service to the level that has been identified?
 - Would an advertised competition consume council resources without yielding an optimum outcome?
- Purpose of the grant
 - What Dorset Council strategy/outcomes does this grant link to?
 - Is it a pilot to support innovation of a new strategy?
 - Is Dorset Council definitely the most appropriate agency to provide this grant?
 - Will this grant provide services only in the Dorset Council area?
 - Will the grant be in addition or supplementary contribution to an existing contract which complements or supports the delivery of that contract, or is best delivered by an existing provider with whom Dorset Council already has a relationship.
- Urgency
 - Is there is a time specific requirement such as supplier contract failure or limited time funding?
- Risk Management
 - Are you up to date on any changes in legislation in relation to the area you are commissioning?
 - The Commissioner/Project Manager must have full insight on the market they are commissioning for to understand the benefits and risks of commissioning via a grants process.
 - The Commissioner/Project Manager must have confidence there is no conflict of interest with the proposed Commissioned Grant recipient.
 - What other sources of funding does the organisation have? Will they still be sustainable at the end of the grant period? Dorset Council cannot be held liable for lack of any organisation's financial sustainability beyond the agreed grant period.

- Advice should be sought from Procurement, Legal or Communities colleagues as appropriate throughout the process.

9. Direct Commissioned Grants Process



- **Identify the need** – The Commissioner will undertake an exercise to assess and evidence the specific gaps or emerging trends in provision that requires additional commissioned resources. This may include gathering data, consulting stakeholders or analysing trends.
- **Conversations with the proposed supplier/s** – It is important to understand what the proposed market capacities and gaps, to identify the needs and solutions which we, the commissioners may not have considered. This will help build and strengthen the partnership relationship of trust and will help avoid misunderstandings of the outcomes to be delivered.
- **Develop the commissioned grant specification** – The purpose of the grant specification is to clearly outline the requirements, objectives, and criteria for the grant. For Expression of Interest for a Commissioned Grant award it should include guidance for applicants, evaluation criteria as well as what the objectives are, resources, budgets, required monitoring and accountability.

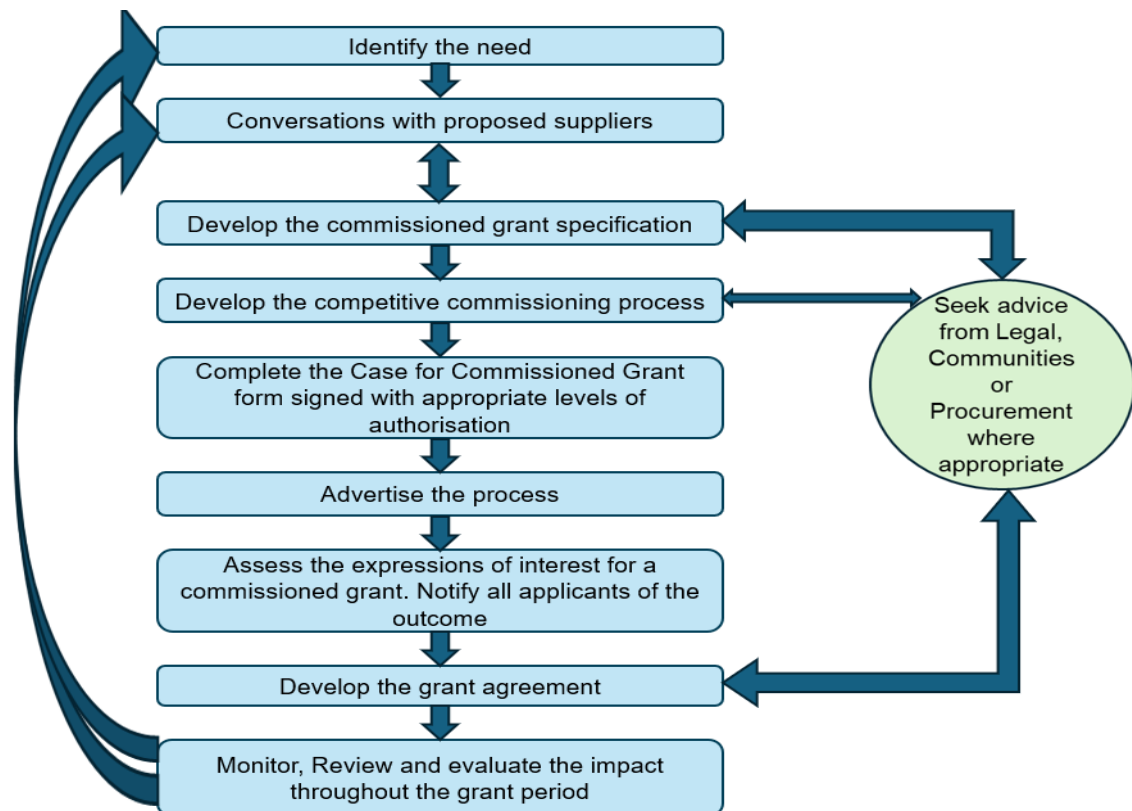
- **Complete the Case for Commissioned Grant form signed with the appropriate levels of authorisation** – No grants should be commissioned without this document being fully agreed and signed off by the appropriate levels of delegation (no. 7) as this acts as the equivalent to the Project Initiation Document (PID) in a procurement process and ensures senior leaders have oversight of the commissioned grants. It also acts to ensure that Commissioned Grants are being appropriately utilised as a form of commissioning. Point 12 of the Guidance document offers a model Case for Commissioned Grant form.

- **Develop the Commissioned grant agreement**
 - All commissioned grants will have a robust grant agreement which must be agreed and signed prior to the commencement of a service or payments made.
 - All grant agreements awarded over £100,000 must be authorised by Legal Services.
 - As a minimum the grant agreement will include the standards laid out in the Gov. Functioning [grant agreement minimum standard guidelines](#). Detailed in guidance document.
 - For any commissioned grants awarded for capital purchases such as minor adaptations or the purchase of goods for direct community benefit, it must be included in the grant agreement that the grant recipient is fully responsible for the ongoing maintenance/replacement of the product once it has been purchased and cannot hold Dorset Council liable.

- **Monitor, review and evaluate the impact throughout the grant period**
 - Dorset Council has in place a robust and consistent process for monitoring and evaluating its commissioned grant monies. The process will include:
 - Agreed outcomes contained in the applicants grant agreement
 - Clear information and timescales relating to the monitoring process which may also include the collection of data around social impact, return on investment, or community benefit (impact).
 - A range of monitoring methodologies e.g. face to face; phone; virtual or via a grant survey
 - Proportionality – the monitoring process will be proportionate to the size of the grant awarded.
 - A 'Designated Officer' being allocated for your project for the term of the commissioned grant
 - Monitoring will be at proportionate intervals followed by the completion of an end of commissioned grant / project report. In some cases, where the level of investment and risk to the council is higher additional monitoring may be carried required.
 - Appropriate monitoring guidance can be found in the guidance document
 - Feedback from the 'Designated Officer' to the applicant where performance issues exist and suggestions on how to improve

- Expectation of organisations to provide monitoring in a timely manner as agreed at the award.
- Non-compliance or failure of the grant will need to be acted on by the Commissioner as part of the grant monitoring process and may result in termination of the grant awarded as per the grant terms and conditions.

10. Expression of Interest for a Commissioned Grant award



Where there will be a competitive process, all expression of interests for a commissioned grant will publish clear application guidance on the Dorset Council website. The minimum criteria for this are laid out in point 6 of the guidance document.

In addition to the steps defined in the Direct Commissioned Grants process, the following steps need to be added into the process for expression of interest for a commissioned grant process:

- **Develop the competitive commissioned process** – Unlike a procured process, the commissioner can consider the most effective method to assess which potential grant recipient will be the most suitable. All processes must have clear guidelines on what is expected of the applicant, a full timeline should be

developed, how the process will be assessed and what a 'model response' would consist of. The Commissioner must ensure the process is always fair and transparent. The process should be proportionate to the level of grant being awarded. If it is appropriate to have an appeal process following the outcome, full details must be provided at this stage. More detail on potential process options is available in point 7 of the guidance document.

- **Advertise the process** – Where there will be a competitive process, all expression of interests for a commissioned grant will publish clear application guidance on the Dorset Council website.
- **Assess the expressions of interest for a commissioned grant. Notify all applicants of the outcome** – Assessment must be conducted in a fair and transparent way which the commissioner advertised. All applicants must be notified in writing with clear justification, e.g. scoring and reasons along with the name of the successful organisation. The information given should be appropriate to the level of grant on offer and within the advertised timeline. An example outcome letter is in the guidance document.

11. Data Sharing and Promotion

- Dorset Council may promote successful commissioned grant awards on the Dorset Council website and relevant media
- The relevant Dorset Council officer will inform any relevant Members of commissioned grants in their ward/
- Dorset Council may share basic data information regarding applications with other local grant managers/funding streams. This will enable us to make informed funding decisions, avoid duplication of funding and ensure value for money is achieved through our grant making processes.
- Dorset Council will ensure that applicants' data is stored and destroyed appropriately 6 months for unsuccessful and 6 years for successful applicants.

12. Centralised Monitoring of Commissioned Grants

Grants are not contracts so they will not be recorded on Accord.

In 2026, it is envisaged that the replacement for the Dorset Enterprise System (DES) will have the function to record commissioned and competitive grants. Until then, a SharePoint site will be developed which will act as a centralised record of what commissioned grants are held (grants register) and by whom which will act as an audit process and the ability to return grants freedom of information requests efficiently.

It will be the responsibility of the Awarding grant officer to enter the grant details onto this SharePoint space once grant is awarded.

13. Annual reporting of the Commissioned Grants programme

An annual status report of all live commissioned grants will be presented to Commercial Board and Place and Resources Scrutiny Committee by the Business Partner – Communities and Partnerships to provide assurance on compliance of the award processes with this policy and to outline scope and use of public funds under grant provision. This will also create opportunities to verify that application process is continuously refining local strategies as well as explore opportunities for market stimulation and/or joined opportunities around grant provision between system partners at place.

14. Policy review and feedback for continuous improvement

This policy and guidance have a review date of 18 months after it has been approved. Feedback should be sought from a selection of organisations/individuals to help inform improvements to the process. Particularly those who undertook the expression of interest for a commissioned grant process with both positive and negative outcomes.

Appendix 2

Case for Commissioned Grants

The form must be fully completed with the appropriate authorisation levels prior to commissioning any grants. Please refer to the Commissioned grants policy and guidance prior to completing this form (*add link when live*)

Project Name	
---------------------	--

Author:	
Project Sponsor:	

Release	Draft/Final Date:		
Version Control			
Version No.	Updated By	Date Updated	Details of Change

All relevant sections must be completed in full. Please refer to Commissioned Grants policy and guidance document.

Section 1 – All Commissioned Grants	
What provision do you want to commission?	
Is the grant purely for direct community benefit? Definition in the guidance document	
Background to/(reason for) the Commissioned grant	
What Dorset Council priority / programme will it support to deliver?	

What outcomes do you intend to achieve with this commissioned grant?			
Provide or attach a summary of the specification			
How will this commissioned grant be evaluated for outcomes?			
What additional governance documentation will you require (if any). Please refer to guidance document			
Is the grant for capital, revenue or both?	Capital	Revenue	Both
What principle geographical area will the commissioned grant cover?			
What demographic of resident will the grant support. Please refer to the guidance document			
Proposed Commissioned Grant value			
Proposed Commissioned Grant duration			
Budget code(s)			
Section 2 – Direct Award grants only			
Who are you commissioning for this direct commissioned grant award?			

Please explain why they are the only organisation that can offer this service	
What mitigating factors have you considered to ensure there is no challenge to this commissioned direct grant	
Overview and outcome of subsidy control evaluation	
Section 3 – Expression of Interest for a Commissioned grants only (competitive process)	
What is the competitive process you will be undertaking?	
What is the commissioning timeline?	
What is the evaluation process you will be undertaking?	
Has a subsidy control evaluation been undertaken?	Yes / No
If no, why?	
If yes, what was the outcome?	

Section 4 – Approval/Sign off*

The Officer responsible for the commissioned grant must ensure that appropriate Service approval is obtained (dependent on the level of spend), the relevant commissioning approval and approval from the Finance Lead and note the details of the approval below.

** Officer level subject to change depending on level of expenditure – refer to the online learning on [Scheme of Delegation \(Expenditure\)](#)*

Service Approval <£50,000

<<Position>>, Name/Signature	Approval Date
Name: Signature:	

Comments

Head of Service/Corporate Director <£100,000

<<Position>> Name/Signature Name/Signature	Approval Date
Name: Signature:	
Comments	

Executive Director <£500,000

<<Position>> Name/Signature Name/Signature	Approval Date
Name: Signature:	
Comments	

Finance Business Partner Approval (all levels)

<<position>> Name/Signature	Approval Date
Name: Signature:	

Comments

Legal Business Partner <£100,000

<<Position>> Name/Signature Name/Signature	Approval Date
Name: Signature:	
Comments	

Appendix 3

Commissioning Grants for Community Benefit Policy Guidance

1. Introduction

The purpose of this guidance document is to support the understanding of the Commissioned Grants policy. This policy has been specifically created to outline the process for selection and award of provision, commissioned under grant arrangements for a specific service or delivery of a project as an alternative to a commissioned contract. This policy fully adheres to the [Government functional standards GOVS 051: Grants](#).

This process is intended to be followed in full. Commissioners cannot opt to commission a grant by only following part of one of the two approved routes to commission a grant.

The policy document clearly lays out what types of grants are not in scope of this policy (no. 2), what cannot be commissioned via a commissioned grant (no. 3) and offers clear information and guidance on how to decide between a commissioned grant or a contract (no.4). If you have any questions on any of these, please contact any of the below who may be able to offer advice:

- Head of Service / Strategic Commissioners within your service
- Business Partner – Communities and Partnerships
- Business Partner Legal (– Contracts)
- Business Partner Procurement
- Service Manager – Commercial and Procurement

2. Definitions/Terms

Commissioning	Commissioning is about ensuring that the council's provides the right services, in the right place at the right time. This means identifying needs, what's available and what is not, planning and designing evidence-based solutions.
General grant	Grants made by departments to outside bodies to reimburse expenditure on agreed items or functions. They include competed, uncompleted and criteria-based grants. These grants are closely related in administration to contract procurement, whilst remaining legally distinct.

Competed grant	Funds for which applications are invited and evaluated, with awards made based on the outcome of the application.
Direct grant	Also known as uncompleted grant. Defined as grant that is awarded to a single organisation or individual without a competition, for example, where there is only a single organisation that has the capability of delivering the objectives.
Direct Community Benefit	Programmes and/or activities specifically designed to address identified local community needs and improve the overall health and well-being of the community. These may include: • addressing health and other inequality • driving sustainability of services or resources within the community • supporting neighbourhood health initiatives Point 4 defines the type of organisations which usually work to support direct community benefit.

3. Commercial Strategy 7 principles

The Commercial Strategy provides the structure and framework from which the council will plan and prioritise the commercial activity of commissioning and procurement including the Commissioned grants process. Within the strategy are 7 identified principle which underpin all commissioning and procurement activity at Dorset Council. These are:

1. People, skills and development
2. Effective commissioning
3. Strategic sourcing
4. Contract management
5. Partnership working
6. Maximising the Dorset pound
7. Climate and ecological emergency

Full information on the 7 principles can be found [here](#).

4. Dorset Council define VCS as the following types of organisation:

- Registered Charities
- Social Enterprises (Companies limited by guarantee that have a clear not-for-profit clause in their governing document and clear charitable or social objectives that meet the priorities of the funding programme)

- Parish Councils (Town Councils may be considered as part of a consortium)
- Faith groups and Churches (provided they are not promoting religious beliefs)
- Newly established groups that can meet the council's mandatory governance requirements (detail later in this document)
- Constituted Community groups and Voluntary & Community sector organisations
- Un-constituted community groups
- Community Interest Companies (CIC) that are Limited by Guarantee Must be registered with the Office of the Regulator of CICs and must be Limited by Guarantee.
 - Must have a minimum of 3 directors, 2 of which are unrelated and live separately
 - Must have objectives that show clear community benefit.
 - Must have a sound business model where 50% or more is earned through trading, unless the CIC is less than 3 years old or is able to demonstrate why this is not achievable.
 - Salaries and benefits paid to directors must be reasonable and proportionate to the work that they do and the financial position of the organisation, to prioritise the services/activities being delivered.
 - Must have an asset lock statement
- By exception, a commissioned grants may also be awarded to appropriate organisations registered as private companies who will deliver a project or service that can evidence it is for the sole purpose of direct community benefit as defined above in point 2.

5. Management of Risk, Compliance & Supporting Documents

In addition to the compulsory governance documents outlined in no. 5 of the policy, there may be other supporting governance documents/due diligence checks the commissioner may require to ensure the organisation/s they wish to commission can minimise the risk of the commissioned grant relating to specific service areas. Neither list is not exhaustive. It is the responsibility of the commissioner to ensure they collate all the relevant and appropriate governance documents.

Governance documents should be proportionate to the level of grant being awarded.

Document	When it should be completed	Rationale
Equality Impact Assessment (EqIA)	If your commissioned grant affects people and is a reasonable value and duration you should undertake an EqIA.	The EqIA action plan should be kept up to date until a grant period is completed and should be incorporated into monitoring meetings.
Financial Evaluation	All grants over value £100,000 will need to	This will enable us to manage the risk that the organisation receiving the commissioned

	complete organisation financial evaluation checks.	grant will have the financial competency to manage the funds appropriately. Please contact your Procurement Business Partner to undertake this check
Data Protection Impact Assessment (DPIA)	A DPIA is required whenever processing is likely to result in a high risk to the rights and freedoms of individuals, this may include the monitoring data within the grant. A DPIA is required at least in the following cases: • a systematic and extensive evaluation of the personal aspects of an individual, including profiling; • processing of sensitive data on a large scale; • systematic monitoring of public areas on a large scale.	The DPIA action plan should be kept up to date until a grant period is completed and should be incorporated into monitoring meetings. Most commissioned grants will not require a DPIA, for more information about whether your commissioned grant will require one, please contact the data protection team for the DPIA screening tool
Business/project delivery plan	A fully business/project plan should be developed prior to any commissioning taking place in conjunction with the community the project will benefit.	Commissioning should be evidence based and fully thought out. It should be proportionate to the size of the project.
Food registration documents/certificates	Any project or commissioning that requires distribution or preparation of food or drinks. The Dorset Food safety team can advise.	This is a legal requirement
Health and safety policy	All organisations with 5 or more employees must have a health and safety policy	It is a legal requirement.

Risk assessments	All organisations, regardless of size or number of employees must have completed risk assessments on their business or project.	It is a legal requirement.
DBS certificates	Are required when an individual is working or volunteering in roles that involve access to vulnerable people, such as children or adults at risk. There are 2 levels: basic and enhanced. It may be appropriate for commissioners to see records of DBS certificates.	It is a legal requirement.
References	It may be appropriate for the commissioner to request references as a way of ascertaining the validity of the organisation, reduces the risk and confirms capability	If the organisation is unknown, it could assist the commissioner understand whether what they've portrayed on their EOI, is an accurate reflection of their service.

6. Expression of Interest for a Commissioned grant quote criteria

The policy offers guidance on how the commissioner should decide between whether a direct commissioned grant is appropriate or whether there will be a competitive process with a defined process chart that must be followed in full.

All expression of interests for a commissioned grant will publish clear application guidance on the Dorset Council website stating at least the following:

- Open and close date of the application process
- Application process
- Assessment process
- Assessment date
- Outcome date
- Total available budget for each commissioned grant per year with clarification if the grant is being funded from.
- Commissioned grant start and finish date.
- How many of the Dorset Council or Directorate/Service priorities the applicant is expected to address – this should be proportionate to the commissioned grant size available.

- What are the desired outcomes of the commissioned grant.
- Whether the commissioned grant is for Revenue, Capital or both
- Eligibility criteria of the fund (if applicable)
- When the applicant is expected to begin the work / project following the fund award.
- Terms and conditions of the commissioned grant
- Contact details for the officer/s for queries on the commissioned grant
- Details of whether the application is the first or subsequent application of the same provider and do they receive any other grants from the Council or out NHS colleagues

7. Options for Expression of Interest for commissioned grant method

Below are some options Commissioners may want to consider as a route to establish which supplier will be the most suitable to deliver the specification.

All methods must advertise clear and transparent assessment/scoring criteria, preferably with model answers. The method must not knowingly give any organisation an unfair advantage over other organisations

Method of assessment	Considerations when using this method	Tips
Question set with/without supporting evidence	• When the commissioned grants are of large value, this is usually the most effective way to determine the best supplier. • When the commissioned grant will attract a lot of expressions of interest. • Enables commissioners to specifically ask for the detail on what they need to know to determine who is best to deliver • Allows the potential suppliers to provide data and evidence to support their case • It is an easy transparent fair process • If supporting documents are permitted, they can provide vital evidence to back up the potential suppliers narrative in the answers • Ensures that all critical aspects of the proposal are addressed, minimizing the risk of missing important information	• Set a maximum word count • Set an attachment maximum number/word count • State whether supporting documents will be scored as part of the assessment
Project/business plan proposal	• Allows the potential supplier to fully discuss the proposal of how they intend to deliver the specification. • Commissioner need to consider a process for obtaining further information as required.	• Set a maximum word count

Presentation	• This method really brings the proposed service the commissioned grant will fund to life. • Allows commissioners to gain a deeper understanding of the proposed offer • The commissioner will still need to ensure governance documents are checked	• Scoring criteria must be determined and advertised in advance • All potential suppliers must be asked the same questions, some supplementary may be asked for clarification
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8. Grant agreement minimum standards

All grant agreements should include be list below as a minimum:

- the purpose for which funding is to be used
- details of approved activity
- intended outcomes
- legal expectations
- eligible and ineligible expenditure
- required milestones
- financial and performance monitoring requirements
- payment suspension, termination and clawback arrangements
- insurance
- audit and assurance requirements
- specific conditions

Examples of general grant terms and conditions are available on the Commissioned Grants SharePoint page.

For all Commissioned grants valued over £100,000, please refer to the Business Partner – Legal (contracts) for advice and guidance.

9. Toolkit to support Commissioners.

To support commissioners undertaking a commissioned grants exercise, example documents are available on the Commissioned Grants Microsoft Teams site. These include:

- Model example for Commissioned Grant Form
- Example timeline for an expression of Interest for a Commissioned Grant process.
- Example of proportionality for Commissioners for grants of differing values.
- A toolkit of advice developed with strategic VCS partners on different assessment methods (as detailed in no. 7)
- Example outcome letters
- Example Grant agreement templates

- Guidance on outcomes monitoring and performance management.