

# External Funding Strategy

Draft 2024



WORKING TOGETHER

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## **INTRODUCTION**

External Funding is a valuable resource in Local Government. It provides opportunities to finance council priorities at a time when local funding is limited or ring-fenced to other schemes or delivery.

This strategy will focus on the benefits of external funding as part of planning for the delivery of identified council priorities and schemes. Implementation of the External Funding Strategy will help to create a more coordinated and cohesive approach to external funding across the councils.

## **PURPOSE OF AN EXTERNAL FUNDING STRATEGY**

The main purpose of an External Funding Strategy is to lever additional revenue into the councils, to support us in the delivery of our priorities and deliver improved outcomes for the benefit of residents and businesses across the boroughs.

This strategy is shared between Chorley Council and South Ribble Borough Council to support our shared officers and set out a consistent approach across the organisations, however officers will bid for funding based on the needs of the council, which may involve submitting bids for each sovereign council where appropriate.

Grants will assist the councils in the delivery of their Corporate Strategies amidst a challenging economic landscape, whilst also supporting the implementation of discretionary services that will deliver better outcomes for our communities and align with our existing priorities.

There will be circumstances e.g. when ad-hoc bid calls are announced, when the councils may decide to take an 'opportunistic' approach to project funding. However, in these less planned scenarios, bid applications should only progress with SMT approval, strong evidence of need, consideration of risk and viability and an acceptance of the impact on existing priorities.

A fully co-ordinated external funding approach should:

- set out a consistent process for external funding
- raise awareness of available and suitable grants
- encourage collaboration with other service areas and external partners
- facilitate the sharing of lessons learned from failed project bids
- promote good practice around bid writing to improve success
- deliver additional services, benefits and improved outcomes for residents, businesses and local organisations

## **EXPECTED OUTCOMES**

The outcomes from this strategy should ensure:

- a co-ordinated, strategic and informed approach across the councils
- bids and services are complementing each other, and create better value
- a higher quality and standard of applications will be submitted to funders

- early identification of any issues associated with proposals (e.g. legal, procurement) raised ahead of bid application
- greater awareness amongst senior management of project initiatives, funding bids, successful awards and project impact

## TYPES OF FUNDING

External Funding refers to funding received from outside bodies which secures additional resources beyond those normally allocated to the council.

Key features of external funding often include:

- Funding that is received from external groups such as Central Government, Public Sector Partners, National Lottery Distributors, or Charitable Trusts and the Voluntary Sector.
- Specific conditions of what the funding is ringfenced for or what services, projects or outcomes are to be delivered
- A competitive bidding process for the funding
- Time-bound or only available for a certain period of time

Funding raised through the council such as fees, sales and charges, consultant time or staff secondments are not normally classified as external funding, for example Community Infrastructure Levy (CIL) payments would not be considered external funding as this is a charge levied by councils.

Sponsorship is also another way of bringing in additional funding, however, is not included within this strategy. A separate Sponsorship Strategy will be developed going forwards.

Some examples of organisations that the councils could seek funding from are set out below:

### Central government funding

Central government funding includes a mix of both funding which is allocated to the councils, and also funding which has to be bid for or match funded. Often this funding can help to deliver large schemes or programmes of work at the councils, such as delivering improvements to infrastructure, or supporting regeneration and place-making priorities.

### Government departments and agencies

Government departments, agencies and arms-length bodies can offer funding in their specific areas. The Government Grants Management Function in the Cabinet Office offers a Find a Grant service to advertise different grants available from government departments, agencies, and other public bodies [Home - Find a grant \(find-government-grants.service.gov.uk\)](https://www.find-a-grant.gov.uk/)

### Other external funders

- Public sector partners such as the NHS or Lancashire County Council
- The National Lottery provides different types of funds and grants such as Heritage Grants, the Arts Council, National Lottery Project Grants or the Community Fund
- Other established charitable or philanthropic organisations and individuals

## ROLES AND RESPONSIBILITIES

The key roles and responsibilities for External Funding are set out below:

<b>People, Policy and Partnerships</b>	Coordinate the councils' approach to external funding, provide support to service areas, maintain an External Funding register, and provide regular updates to SMT.
<b>Service areas/ managers</b>	<p>Inform the People, Policy and Partnerships, Finance, and Legal service when considering external funding and ensure that the External Funding Strategy is applied.</p> <p>Maintain awareness of any external funding opportunities related to their specialist areas e.g. through professional networks.</p> <p>Maintain good relationships with external funders, ensure any criteria for funding is met and supply any relevant information or updates to funders as requested.</p> <p>Share relevant external funding opportunities with local community groups/ partners that we work with.</p>
<b>Senior Responsible Officers/ SMT</b>	<p>To provide oversight of all external funding across the councils.</p> <p>To approve the proposed bids, ensuring they align to the council's priorities.</p> <p>To support good relationship management with key external funders.</p> <p>To ensure that the council's Financial Regulations are adhered to.</p>
<b>Finance</b>	The finance team will support service areas in ensuring that any proposals for External Funding are financially viable and in line with the Financial Regulations. They will review all bids prior to submission and review funding agreements prior to acceptance.
<b>Legal and Procurement</b>	The legal team will review all External Funding bids agreements before they are progressed to ensure that the council has a clear understanding of any terms and conditions.
<b>Communications</b>	The communications team will support service

	<p>areas in communicating the success of external funding, including any new projects or services available to our residents or businesses. This could include working with third parties to coordinate press releases, social media content and use of branding.</p>
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**RESOURCES TO SUPPORT EXTERNAL FUNDING**

The People, Policy and Partnerships service will have a coordination role for External Funding and will support the organisation in:

- Identifying relevant external funding through databases such as the government’s Find a Grant Service, and signposting opportunities to relevant service areas/ via monthly Horizon Scanning updates to SLT.
- Supporting service areas with seeking and applying for external funding, ensuring that the processes set out in the External Funding Strategy and project management toolkit are embedded across teams.
- Maintaining an External Funding Register and collating regular updates to SMT to monitor external funding across the organisation.
- Highlighting opportunities for us to work with partners to bid for external funding, or for us to receive funding from external partners.

The People, Policy and Partnerships service will maintain a page on the intranet to support with external funding and enable the sharing of best practice, mitigate the risk of bid duplication and encourage cross-council cooperation. The online Information Hub will include:

- **Funding database** – links to external funding databases such as the [Government Grant Finder](#) or [D2N2 funding tracker](#).
- **External Funding Grant register** – a listing of projects that have bid for grant funding, bid results, feedback from funders, lessons learned.
- **Information and data repository** – links to the tools set out within this External Funding Strategy including the project management toolkit. Links to useful information for developing a bid, including council strategies and key council data.

Whilst the People, Policy and Partnerships service will provide a coordination role, service areas should maintain awareness of external funding opportunities for their specialist areas through professional networks and support bodies.

Support for local community organisations

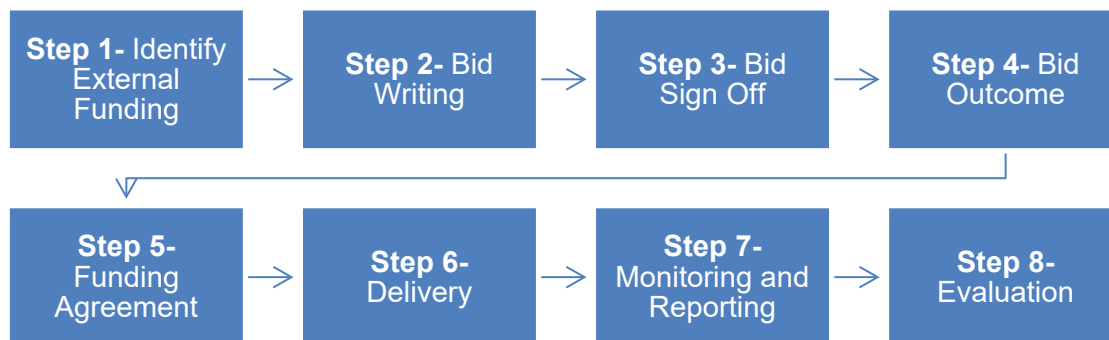
Service areas also have a role in sharing any relevant external funding opportunities with local community organisations and partners that they work with, where this could help to provide better outcomes for our communities.

Chorley Council publish on their website resources and grants available from the council and our partners to local community groups, alongside access to the Chorley 4 Community portal which allows groups to search and browse for funding opportunities: <https://chorley.gov.uk/people-communities/funding>.

The South Ribble Communities team is currently in the process of developing a resource page to support community groups in applying for external funding grants.

## EXTERNAL FUNDING PROCESS

The External Funding flowchart sets out the process for services to follow when they wish to use external funding.



- **Step 1 Identify External Funding**– Any opportunities for external funding should be raised with the Head of Service or Director in the first instance. Sometimes, this will be small grant funding which supports day-to-day service delivery. In other cases, this will be for a new project or programme of work.

Approval for any new external funding should be sought from SMT to ensure that it is in line with the corporate priorities and can be delivered effectively. An **Integrated Impact Assessment** should also be completed at this stage to evaluate the impact of the proposals and any equality and diversity implications and, for projects, the **Project Management Framework** should be applied.

SMT will provide approval of the project or scheme if it:

- Aligns to the corporate priorities or is a business plan project
- There are clear benefits and outcomes to the project
- Can be delivered in line with the criteria or timescales specified by the funding organisation
- Resources are available to deliver the project effectively

**At this stage, the People, Policy and Partnerships service should be contacted to ensure that the funding is entered as a prospective item on the External Funding Grant Register.**

- **Step 2 Bid Writing-** The proposal moves into the bid writing stage responding to the application criteria issued by relevant funding organisation(s). Legal & Procurement and Finance should be contacted at an early stage so that they can provide advice as required. As set out in the Financial Regulations of the Council, **the bid should be developed in consultation with the Chief Finance Officer and Monitoring officer.**
- **Step 3 Bid Sign Off** – Prior to submission, the grant application should be submitted to the Senior Management Team for financial scrutiny, allocation of any match funding and ‘sign off’. This should then be approved by members (Leader Brief, Executive Cabinet or Council depending on the financial requirements set out in the Constitution.)
- **Step 4 Bid Outcome** – If the bid is rejected, service areas should request feedback from the funder where this is possible and **inform the People, Policy and Partnerships service so that lessons learned can be captured through the External Grant Funding Register.**
- **Step 5 Funding Agreement-** If the bid is accepted, then a funding agreement will normally be signed between the external funder and the council. This should be checked by legal services, the Chief Finance Officer, and signed by a Director.
- **Step 6 Delivery**– The proposal now moves into its delivery stage. If the external funding is for a specific project, this should be delivered and monitored through the councils’ Project Management Framework. **The People, Policy and Partnership service should also be informed so that the external funding should also be added to the External Funding Grant register.**
- **Step 7 Monitoring and Reporting**–Reporting on any External Funding arrangements should be carried out in line with funder’s requirements and in line with the Project Management Framework.
- **Step 8 Final Evaluation** – Often there is a requirement of funding to complete a final evaluation, to identify the outcomes that have been achieved and the lessons learned. If the external funding is for a specific project, an End of Project report should also be completed.

## **RELATIONSHIP MANAGEMENT AND EXTERNAL FUNDING GOVERNANCE**

It is important that we maintain strong relationships with key external funders to allow the council to continue to benefit from external funding. This is the responsibility of:

- **Service areas that are delivering projects or services through external funding.**  
The service area should ensure that there is timely communication around work related



to external funding, ensure that any conditions around external funding are met, and provide any evidence of outputs or outcomes requested by the external funder.

- **The Senior Management Team** also have a role in supporting the development of relationships with key external funders, for example through periodic contact, working with external funders to resolve any issues which may arise, and by demonstrating the benefits achieved through external funding.

It is also important when we are delivering grant funding through third parties, or in collaboration with partners, that we work closely to ensure that relevant contracts are in place, and that we identify any issues or risks which could impact on delivery and/ or the relationship with the funder. This can be mitigated by regular communication with partners, and by the application of the Key Contracts and Partnerships Framework and Project Management Toolkit (including project plan, risk register, issues log and lessons learned documents.) As a minimum, all projects or services supported through external funding should have in place:

- Approval to progress with external funding through SMT and relevant member decision.
- An identified point of contact for managing communication with the external funder and for working with support teams such as Legal, Finance or Procurement
- A contract or clear understanding of any commitments, criteria or expectations of the council set by the external funder e.g. reporting on outcomes, or deliverables being achieved within set timescales
- Regular internal project or service management teams to ensure successful delivery of projects/ services, alongside regular contact with the external funder where required to support strong relationship management.

## RISKS

Deployment and delivery of a successful External Funding Strategy can bring significant benefits to the councils and residents, community organisations and businesses across the boroughs. However, the councils should be aware of the risks that can appear as a result of deploying the Strategy. The main risks and mitigations are:

Risk	Mitigation
External funding applications can divert resources from delivering the core business of the council and increased funding activity can create unrealistic expectations amongst councillors, officers and the public.	Funding bids should focus upon projects that are in line with council strategies and service area priorities.
Opportunities for funding can 'tempt' bids that are over-ambitious or unrealistic to deliver.	All proposals are to be presented to SMT to provide oversight and advice for external funding.  Proposals should be focused on existing priorities and should consider what internal resources are required to deliver projects to ensure that they are realistic and viable.

<p>Non-compliance with funding organisation terms and conditions</p>	<p>Early and regular communication with the grant funding organisation to establish reporting and grant claim protocol.</p> <p>Scrutiny by council legal advisers prior to grant acceptance.</p> <p>Inclusion of any known constraints within the initial project proposal.</p>
<p>Claiming and monitoring mechanisms and processes can be bureaucratic and complex.</p>	<p>Good project management procedures in place following the Project Management Framework.</p> <p>Involvement of finance and procurement officers within project delivery teams.</p>
<p>Accessing external funding is demanding in terms of staff skills and resources especially where short term bid windows are presented.</p>	<p>External funding should only be considered where it is in line with the councils' priorities. Specialist bid writers could, in some circumstances, be considered where council resources are limited, or where application deadlines are tight.</p>
<p>There is a risk that funds could be withdrawn if the project fails to achieve its objectives, or does not meet its agreed delivery schedule.</p>	<p>Deliver the project in line with the council's Project Management toolkit to monitor expected outputs, outcomes and delivery schedules and maintain records, risk and issue registers.</p>



## APPENDIX 2 - Bid Writing Tips

**Before you start writing the responses to the questions make sure to:**

- 1. Read the funding specification very carefully.** Then read it again. Highlight any areas of the specification that need attention, such as key themes that you will need to address in your responses. From here you may wish to storyboard or plan winning themes. You should also identify how to submit the response, the deadline, formatting guidelines, attachments and word/character counts. Do not leave this until the last minute. It is important that your submission is compliant; otherwise, it could fail.
- 2. Read each question with your own questions in mind.** Why is the funder asking this? What information are they looking for in the submission? Deconstruct each question to help focus on your response – this should also make the bid writing process easier and breaks the response down into manageable sections. Remember the questions exist for you to provide the funder with certain information, and for them to score you accordingly.
- 3. Make sure you raise any clarification questions in good time,** as the clarification deadline may be significantly before the submission deadline. You may wish to clarify elements of the specification, nuances of questions, or your eligibility to bid. It may also be helpful to read the clarifications from previous rounds of funding in case someone else has asked something of note.
- 4. Be persuasive, not descriptive, and frame the key benefits of your proposal in terms of advantages to the buyer.** How can you help them achieve their objectives? Keep in mind that the evaluator needs good reasons to award you the funding – ultimately you must meet their criteria and more. Simply, ensure you are answering their questions and sticking to the point.
- 5. Make sure your answers are comprehensive.** One-sentence responses to questions fail. Word limits provide an indication of how much depth you are expected to go into: if there is a word limit of 500 words for one of your tender responses, a one-line answer will not suffice. Always expand on your answers and give as much detail as possible.
- 6. Keep to simple language within your responses.** Remember that your intention is to communicate clearly the benefits that you can offer. Flowery words will not gain you extra points and will just make your submission harder to read and evaluate. If allowed, visuals can also help to reinforce your point and provide evidence for your submission. The use of tables, images, screenshots and graphs will make your bid stand out and break up pages of written narrative.
- 7. Make sure you clearly reference the question numbers** in your responses and make sure that any evidence is labelled correctly, otherwise, you can't complain if they don't consider it during evaluation, and your tender could even be marked as non-compliant. It is better to

be overly-compliant – and do not make any assumptions about the evaluator.

**8. Make sure you provide evidence for the claims in your responses** – you cannot rely on the evaluator to take your word for it. Reports, statistics and even testimonials can help to convince the funder of our strengths. Make sure the submission represents our track record, so case studies and references are valuable in this area.

**9. Have your submission proofread and reviewed** by someone who has not been involved with the preparation of the submission. Submissions can be proof-read by other people in your team, the People, Policy and Partnerships service and should be reviewed by SMT prior to submission.

**10. Your submission should be professionally presented** with consistent design throughout. First impressions are often crucial, and you want to be perceived as professional, polished and serious about the process. Check in the specification how the proposal is to be submitted. If you are allowed design elements, then ensure your bid document is professional. However, if you are submitting a bid via a portal there may be restrictions on this.

#### **Winning the Bid- 10 checks**

1. Has the submission deadline and process been checked?
2. Has the bid been checked against the application marking scheme and is it clear how the bid meets the criteria
3. Is the bid written persuasively and assertively?
4. Does the bid 'stand out' amongst others received and set out why the project will specifically make a difference to the particular borough?
5. Is the proposal original or innovative, has the creative nature of the bid been emphasised?
6. Does the bid build a strong business case including evidence and expected benefits?
7. Does the bid take account of local, regional or national strategies?
8. Has simple and clear language been used, avoiding any jargon and explaining any local references?
9. Has the draft been proofread and shared with colleagues for feedback?
10. Have all necessary documents been attached or enclosed?

