

23<sup>rd</sup> February 2024

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## **REVIEW OF GRANTS ADMINISTRATION**

### **Purpose**

1. This paper updates and informs members on the latest position.

### **Analysis**

2. On the 29 January there was a special meeting of the Finance Sub-Group (FSG) to consider the progress that is being made on this particular review. In essence, the Welsh Government's paper which is appended at Annex I covers i) grants transferring to the revenue support grant, ii) amalgamated grants and iii) grants staying as they currently are.
3. In addition to the leaders who ordinarily attend the Finance Sub-Group, 8 Welsh Government Ministers were in attendance.
4. This follows from the update on the Programme for Government commitment given to the July and March meeting of FSG. The stated objectives of the initiative are:
  - a) Reduce the number of grants, including by identifying those which should not be grants at all
  - b) Improve grants processes including consideration of proportionality of administration, improved planning and communication, and consistency of approach across policy teams
  - c) Simplify and reduce reporting requirements for local authorities. Reducing the administrative burden on LA's

### **Grants to be rolled into the settlement – 3 grants**

5. The paper lists 3 grants to roll into the settlement in 2024-25 which is a modest start. It was originally to be more, but the homelessness grants are now expected to transfer in 25-26. The grants will be incorporated on their current distributions and thereafter will be part of the formula deliberations. We have requested allocation tables ahead of the settlement so authorities get earlier sight of the way the grants will transfer in.

### **Amalgamated grants – 20 Grants**

6. Three of these are education grants and are mostly agreed. This is to be welcomed but there were direct questions to the education minister about whether local

government might be consulted on the distribution through the DSG. This was agreed and so the DSG will be involved on this amalgamation work going forwards. There was also a question about the allocation of the PDG and whether it should use eFSM definition agreed by the DSG to be consistent.

### **Leave as is - 21 Grants**

7. There are a fair number of grants that remain as they are for good reasons. They may still be under discussion or may fund specific authorities. The paper notes that there were several grants where all LAs were strongly against moving them into the RSG.
8. Annex II shows the status of all the grants that are notified to us at the time of the settlement. They are colour-coded to show which ones will be rolled in, which ones amalgamate, which ones stay and the remaining ones that are yet to be considered.

### **Recommendations**

9. **Members are invited:**

- 9.1 **To note the progress on the grants administration review.**

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**Finance Sub-Group 29 January 2024**  
**Paper 1 – Reducing the Administrative Burden on Local Authorities – Grant Management – grant proposals**

## Introduction

1. In July 2023 the Finance Sub-Group (FSG) received an update on the Programme for Government commitment to reduce the administrative burden on local authorities. Engagement with representatives from local authorities, SOLACE and internal colleagues across policy areas and corporate functions in Welsh Government (WG) identified some key messages and issues. The area highlighted as an opportunity for change with wide ranging benefits, as well as potential risks, is that of WG's approach to funding of local authorities, particularly in relation to grants management and administration.
2. The following areas were identified as possible outcomes:
  - a) Reduce the number of grants, including by identifying those which should not be grants at all
  - b) Improve grants processes including consideration of proportionality of administration, improved planning and communication, and consistency of approach across policy teams
  - c) Simplify and reduce reporting requirements for local authorities.
3. In the October meeting of FSG it was noted that the grants work was temporarily paused during the draft budget process to enable a firm view to be developed on the future of specific grants, and for funding to local government for 2024-25 to be looked at in the round, rather than looking at grants through one lens and the revenue support grant separately.
4. Publication of the draft budget and the detailed settlement information, which includes information on specific grants was published in the existing format, apart from a couple of areas of amalgamations that had been progressed and discussed with stakeholders as part of the draft budget, notably education grants.
5. Any further changes are to be made at the final budget and settlement (or in supplementary budgets) so that the trail of decisions is clear.
6. There have always been three main options with grants, to transfer into the RSG, amalgamate grants together or leave as they are. Grants are at different stages of their evolution and different solutions will work for different areas. Any changes should not increase the admin burden, whether from a monitoring point of view from Welsh Government or from within local government themselves in their financial and performance monitoring processes.

***Proposals – dehypothecate grants***

**a. Implementation of the Performance and Improvement Framework- DMSS**

Possible de-hypothecation for remaining 1 year of grant (Apr 2024-Mar 25).

**b. No One Left Out grant / Discretionary Homelessness Prevention grant / Strategic Co-ordinator post funding - MCC**

Dehypothecate these grant funding streams into the Revenue Support Grant from either 2024-25 or 2025-26 (to align with legislative reform). If 2024-25, transfers would be done using current approach of distributing funding to LAs, pending a transitional/phased approach to distributing funding after 2024-25.

These funding streams directly support LAs to meet their existing statutory duties so should be funded from the RSG. They were established after the LA Hardship Fund closed in March 2022 to provide transitional support to LAs to meet their statutory duties to maintain the ‘no one left out approach’ and prevent homelessness. This proposal would meet the main objectives of reducing the administrative bureaucracy associated with these funding streams. Given the statutory nature of the activity funded, the risks of transfer to RSG are also minimal.

(To note – this is still being considered, if agreed total funding value for these funding streams in 2024-25 will be confirmed at publication of 2024-25 Final Budget).

**c. Child burials - MFLG**

This is an ongoing funding stream with no end date therefore the expectation is that the funding will transfer in 2024-25, final details still being discussed.

**d. Delivery of flood prevention - MCC**

This is a set amount per authority (£225k) to contribute toward flood prevention activity. The transfer is being discussed for 2024-25.

***Proposals – amalgamate grants in 2024-25***

**e. Playworks Holiday Project - DMSS**

Increasing Play Opportunities and providing food in vulnerable communities (All Wales Play Opportunities Grant). This grant conceptually fits with the ambit of the Children and Communities Grant (CCG, see q below ) and minimal work would be required to move them to the CCG. We have had initial discussions with LAs about the move and they are onboard with the proposal, highlighting that in many cases

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the teams dealing with this funding already have other funding within the CCG. Combining them into the CCG would assist their internal administration.

**f. Early Intervention Parenting Support & Interparental Conflict Grant – DMSS**

This grant funds strategic parenting support activities, projects, roles, or training. Again it conceptually fits with the ambit of the CCG and minimal work would be required to move them to the CCG and combining the grant into the CCG would assist LA's internal administration.

**g. Support proposals relating to eliminating profit from the care of looked after children / Radical reform grants - DMSS**

Proposals are being discussed to amalgamate these two grants.

**h. National fund to provide Adoption Support / National Adoption Service / Foster Wales/ Adopt Cymru - DMSS**

Proposals are being discussed to amalgamate these grants.

**i. Local Authority Education Grant / Regional Consortia Grant (including the Education Improvement Grant)/ Recruit Recover raise Standards / Pupil Development Grant /Additional Learning Needs Implementation/ Transition Support for Minority Ethnic and Gypsy, Roma and Traveller Learners/ Additional Learning Needs provision/ Community focussed schools/ Welsh Education Grants - Siarter Iaith, WESPs and Immersion grants / Elective home education / Foundation Phase Nursery - MEWL**

These grants were consolidated with other pre-16 education grants to local authorities as part of the draft budget after considerable discussion with LAs. The new amalgamated Local Authority Education Grant (LAEG) will provide more transparency and increased flexibility for local authorities and schools across Wales. This new approach to our pre-16 education funding will reduce the administrative burden on local authorities and schools from April 2024. The new grant terms and conditions will be less restrictive, enabling local authorities and schools to meet the needs in their local areas in line with the high-level policy outcomes we will set to ensure our shared priorities are achieved.

**Proposals – leave as is or 2024-25**

**j. Communities for Work Plus - MEcon**

This is bespoke employment support to those most disadvantaged in the labour market. The Welsh Government are working on a new Welsh Government Single Operating Model of employment support and the grant will be incorporated into that model in the future.

**k. Housing Support Grant - MCC**

Housing Support Grant (HSG) funded services are not statutory and it does not fund the statutory duty on local authorities to prevent homelessness. HSG is the main grant available to LAs to support homelessness prevention (funds a range of support services, majority of which funds staffing posts) and moving towards a rapid rehousing approach, and vital to achieving the Welsh Government's ambition to end homelessness. During LA engagement, all LAs were strongly against moving HSG funding into the RSG, given the risks of non-statutory services being de-prioritised. The removal of ring-fenced funding to the Supporting People Grant in England had negative impacts.

While there are no plans to consider de-hypothecating HSG funding into the RSG in the near future, there will still be the need to review the current HSG distribution formula in line with the previous commitment made. Where possible, we will also continue the streamlining of other grants - which currently support local projects through third sector providers - to transfer them to the Housing Support Grant to support the single strategic approach to homelessness in local authority areas.

**I. Free School Meals / School Essentials / Post 16 specialist placements/ NPQH – MEWL**

These are demand led grants so are being retained in 2024-25. Post -16 specialist placements is being reviewed alongside the relevant legislation changes.

**m. Substance Misuse Action Fund - DMfMHWB**

The grant supporting the commissioning of substance misuse prevention, support and treatment services by the 7 Area Planning Boards. Therefore seven authorities act as 'banker' for Area Planning Boards (APBs), managing the funding and commissioning process on behalf of the APB. This approach supports strengthened partnership working and strategic leadership and enhances and simplifies the key functions of planning, commissioning and performance management.

**n. Deprivation of Liberty Safeguards (DoLS) - DMfMHWB**

The UK Government passed the Mental Capacity (Amendment) Act 2019 and were planning to introduce new safeguards called the Liberty Protection Safeguards (the LPS), however in 2023 the UK Government announced their intention to step away from the introduction of the LPS until after the next elections. Funding was initially provided to support local authorities in preparing for the implementation of LPS. This funding has been made available on a recurring basis to allow LAs to transition to a more sustainable workforce footing. This will enable LAs to be prepared to implement LPS when UK Government decides to implement the Mental Capacity Amendment Act. It is not felt to be the right time to move money to the RSG at a time when these longer term staffing arrangements are still being embedded. This will be reviewed in future once the LPS is in place.

**o. Period Dignity in Schools and Communities - MSJCW**

The Purpose of the Funding is to support Local Authorities to ensure period dignity for all learners in all schools and for those who menstruate from low income households in every local authority area in Wales.

Findings from a recent evaluation of the Period Dignity grant are being considered to inform our future approach on how the grant can be delivered most effectively. This includes the possibility of using a central supplier rather local authorities to distribute products.

**p. Community Cohesion - MSJCW**

The WG funds a network of Regional Community Cohesion teams. Each team seeks to eliminate discrimination and harassment, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. The grant is passed on by LAs to the third sector. We need to fully understand the risk associated with de-hypothecating these grants into a wider funding structure where there is a likelihood that the funding will no longer reach the third sector or ensure certain key services. This could have a knock on, detrimental impact on equality and our observance of the Public Sector Equality Duty.

**q. Violence Against Women, Domestic Abuse and Sexual Violence - MSJCW**

The grant provides funding to local authorities to deliver services to prevent gender based abuse and to support and protect victims. The grants enables strategic co-ordination of services at local level and training for key workers in this sector. The funding supports preventative work, including educational programmes in schools and VAWDASV awareness raising campaigns. As with the community cohesion grant the funding is passed on by LAs to the third sector. We need to fully understand the risk associated with de-hypothecating these grants into a wider funding structure.

**r. Children and Communities Grant (CCG) – DMSS, MHSS, MSJCW**

The CCG is a flexible fund which seeks to address the support needs of disadvantaged and often vulnerable children and adults in our communities through a range of early intervention, prevention and support mechanisms. There is already flexibility between the programs within the CCG and in order to monitor and evaluate impact and outcomes, it is proposed to maintain an overall multi-grant scheme, with discretion for LAs as to how to move funding between the grant streams within it.

**s. Childcare Offer- Administration Grant - DMSS**

Funding to LAs to cover their internal administration costs incurred in delivering the Childcare Offer. This will be retained as is for the current year with a review in the future to consolidate into CCG. Conceptually fits with the ambit of the CCG and initial discussions with LAs have been positive about the proposal, highlighting that in many cases the teams dealing with this funding already have other funding within the CCG. Combining them into the CCG would assist their internal administration.

**t. Additional support grant – Childcare offer - DMSS**

This is a demand led grant that provides support to enable children with additional learning needs to access funded childcare available under the Childcare Offer. LAs manage this grant alongside the separate funding they receive to support children with additional learning needs to access education including the early education element of the Childcare Offer. There is an evaluation underway considering the ways in which LAs are currently using this funding. Once that review is complete we will consider the best funding method for this support, including merging this into the general Childcare Offer grant, adding it to the grant for support for additional learning needs in education, or transfer to the CCG or RSG.

**u. Childcare Offer Childcare Grant - DMSS**

The Childcare Offer Childcare Grant effectively ceased to exist as of September 2023. Previously LAs were allocated grant funding to pay for childcare under the Childcare Offer. As of September 2023 all of these payments are now made via the Welsh Government's national digital platform.

**v. Early Years Integration Transformation Grant – DMSS**

The Early Years Integration Transformation Grant is only funded for 23-24 and 2024-25 at this time and there is no funding in 2024-25 for the children and young people wellbeing award.

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**w. Social Care Workforce Grant - DMSS**

Las can use to grant to support the social care workforce in a number of ways. Proposed the administrative requirements will be reviewed to with the aim of being more focussed.

**x. Data Officer to support Eliminate Profit - DMSS**

This is a small grant to an individual LA for services they provide on an all-Wales basis and has minimal admin burden. It is due to end in 24-25.

**y. National Adoption register – DMSS**

This grant is standalone grant to procure a national service and has minimal admin burden.

**z. Funding maintenance of Wales Safeguarding Procedures - DMSS**

Grant is disbursed to an individual LA for services they provide on an all-Wales basis and has minimal admin burden.

**aa. Funding for a dedicated post for local authorities to support age friendly communities - DMSS**

Grant for regional partnerships/collaboratives for which an LA is the lead recipient, minimal admin burden.

**bb. Connected Communities, Loneliness and Social Isolation Fund – DMSS**

Grant still being discussed.

**cc. Safeguarding Boards training / National Approach to Statutory Advocacy for Children and Young People - DMSS**

Grant for regional partnerships/collaboratives for which an LA is the lead recipient. Retain for the ongoing provision of multi-stakeholder partnership support.

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**Future Workplan**

7. There are a number of grants that are still to be assessed, however many of these relate to funding that is given to a single authority, for example Cleddau Bridge or Cardiff Harbour Authority, or are given out to lead authorities for regional work. We will continue to work through all grants to determine how they are best administered over the next year. Updates and future proposals will be brought to FSG.

**Local Government Finance Policy and Sustainability and Local Government Policy Divisions  
Welsh Government**

# Annex II

**Table 7: List and estimated amounts of Grants for total Wales (£000) [Note 1]**

This worksheet contains one table. Some cells refer to notes which can be found on the notes worksheet.

Portfolio and Grant Name	2023-24	2024-25	Key
<b>Total Education and Welsh Language (of which below)</b>	<b>619,582</b>	<b>620,735</b>	
Pupil Development Grant [Note 44]	120,803	0	
Education Improvement Grant (EIG) [Note 44]	115,196	0	
Local Authority Post-16 Education School Sixth Forms Provision (Mainstream Funding) [Note 45]	113,892	113,892	
Universal Primary Free School Meals [Note 46]	62,988	93,500	
Regional Consortia Grant [Note 44]	40,792	0	
Recruit Recover Raise Standards – the Accelerating Learning Programme [Note 44]	37,500	0	
Teachers Pay [Note 47]	21,267	0	
School Essentials [Note 46]	13,596	13,096	
Additional Learning Needs Implementation [Note 44]	11,997	0	
Transition support for Minority Ethnic and Gypsy, Roma, Traveller learners [Note 44]	11,000	0	
Youth Support Grant	10,806	11,483	
Additional Learning Needs Provision [Note 44]	9,155	0	
Free School Meals - Holiday provision [Note 47]	8,958	0	
Community Focussed Schools [Note 44]	7,225	0	
Pupil Development Grant - Consortia [Note 44]	6,928	0	
Adult Community Learning Provision [Note 45]	6,479	6,479	
Foundation Phase Nursery (FPN) Funding [Note 44]	5,268	0	
Grant to support and promote a whole school approach to Emotional and Mental Wellbeing [Note 44]	3,550	0	
Welsh in Education [Note 44]	2,671	0	
Education Welfare Officers [Note 44]	2,500	0	
Late Welsh Immersion Grant [Note 44]	2,200	0	
Welsh Education Grant – Consortia [Note 44]	1,829	0	
Elective Home Education [Note 44]	1,709	0	
Online Individual Development Plan Grant [Note 44]	924	0	
Promote and Facilitate the use of the Welsh Language [Note 44]	348	0	
Virtual Schools [Note 47]	TBC	0	
SEREN	TBC	TBC	
Post-16 Specialist Placements [Note 46]	TBC	TBC	
National Professional Qualification for Headship (NPQH) [Note 46]	TBC	TBC	
Local Authority Education Grant - Schools Standards [Note 44]	0	159,864	
Local Authority Education Grant - Equity [Note 44]	0	154,865	
Local Authority Education Grant - Reform [Note 44]	0	54,405	
Local Authority Education Grant - Cymraeg 2050 [Note 44]	0	9,700	
Mutual Investment Model - Revenue	0	3,451	
<b>Total Climate Change (of which below)</b>	<b>380,077</b>	<b>346,954</b>	
Housing Support Grant	169,202	169,348	
Mandatory Concessionary Fares	60,483	60,483	
Bus Emergency Scheme	42,000	39,000	
Bus Services Support	24,800	24,800	
Sustainable Waste Management Grant	16,400	TBC	
Homelessness - No One Left Approach	15,000	TBC	
Homelessness - Discretionary Homelessness Prevention	12,500	TBC	
Coastal Risk Management Programme	11,359	11,326	
Cardiff Harbour Authority	6,078	6,126	
<b>Flood and Coastal Erosion Risk Management</b>	<b>5,250</b>	<b>4,950</b>	
Cleddau Bridge removal of tolls (A477)	3,000	3,000	
Affordable Housing Grant	2,515	2,515	
Youth Discounted Travel (My Travel Pass)	2,000	2,000	
Road Safety Grant	1,749	1,900	
Leasing Scheme Wales (Revenue)	1,555	2,599	
Local Area Energy Planning - Technical Support [Note 39]	1,427	0	
Homelessness - Strategic Posts	1,320	1320	
Transforming Towns Revenue Programme	1,000	TBC	
Local Air Quality Support	750	TBC	
PRS Leasing Scheme Pathfinder (Revenue)	577	530	
Local Area Energy Planning - Resource Support [Note 39]	457	407	
Resilient AONB programme	350	350	
AONB Sustainable Development Fund – Revenue	100	100	
Rural Housing Enabler	58	58	
South Wales Regional Aggregate Working Party (RAWP)	50	50	
Waste Planning Monitoring Report – North Wales and South East Wales	48	48	
North Wales Regional Aggregate Working Party (RAWP)	25	25	
Waste Planning Monitoring Report – South West Wales	19	19	
Implementation of measures to tackle nitrogen dioxide exceedance	5	0	
<b>Total Health and Social Services (of which below)</b>	<b>280,110</b>	<b>250,501</b>	
Children and Communities Grant (CCG)	171,744	174,583	
Social Care Workforce Grant	45,000	35,000	
Childcare Offer [Note 48]	20,000	0	
Support proposals relating to eliminating profit from the care of looked after children	15,509	0	
Support proposals relating to radical reform of the care of looked after children	9,395	0	
Early Years Intergration Transformation Grant	6,000	TBC	
Childcare Offer- Administration Grant	3,250	3,250	
Adoption Services	2,300	0	
Additional Support Grant – Childcare Offer	2,000	2,000	
Funding for local authorities to support age friendly communities	1,100	1,100	
Increasing Play Opportunities Grant	1,000	TBC	
<b>Implementation of the Performance and Improvement Framework</b>	<b>880</b>	<b>880</b>	
Foster Wales	559	0	
National Approach to Statutory Advocacy for Children and Young People	550	550	
Connected Communities, Loneliness and Social Isolation Fund	477	477	
Adoption Register for Wales	219	220	
Safeguarding Boards – training	72	72	
Data Officer to support Eliminate Profit PFG	30	30	
Maintenance of Wales Safeguarding Procedures	25	25	
Support proposals relating to eliminating profit from the care of looked after children & relating to radical reform of Adoption Services. Foster Wales and Adopt Cymru	0	28,605	
Adoption Services. Foster Wales and Adopt Cymru	0	3,709	
<b>Total Finance and Local Government (of which below)</b>	<b>130,382</b>	<b>79,530</b>	
Retail, Leisure and Hospitality Rates Relief [Note 21]	129,510	78,730	
Child Burials and Cremation Fees and Additional Financial Support Grant	800	800	
Assets Collaboration Programme Wales Phase 3	72	TBC	
<b>Total Mental Health and Wellbeing (of which below)</b>	<b>42,063</b>	<b>44,063</b>	
Substance Misuse Action Fund [Note 22]	39,063	41,063	
Deprivation of Liberty Safeguards (DoLs)	3,000	3,000	
<b>Total Economy (of which below)</b>	<b>31,593</b>	<b>24,489</b>	
Communities for Work+	27,268	16,834	
Arfor 2	4,000	7,000	
Tech Valleys programme	175	180	
Event Wales	125	475	
Mid Wales Sites & Premises Programme Development	25	0	
<b>Total Social Justice &amp; Chief Whip and Social Partnership (of which below)</b>	<b>6,947</b>	<b>6,537</b>	
Period Dignity in Schools and Communities	2,923	2,523	
Violence Against Women, Domestic Abuse and Sexual Violence - Revenue Grant	2,794	2,794	
Community Cohesion	1,120	1,120	
Violence Against Women Domestic Abuse and Sexual Violence - Revenue Grant - Ask and Act	90	90	
Armed Forces Day	20	10	
<b>Total Rural Affairs &amp; N.Wales, &amp; Trefnydd (of which below)</b>	<b>1,090</b>	<b>1,014</b>	
Animal Licensing Wales	890	914	
LA Animal Health & Welfare Partnership Delivery Plan	200	100	
<b>Total Arts, Sport &amp; Tourism (of which below)</b>	<b>199</b>	<b>379</b>	
Culture Revenue Grant	179	179	
Specialist Service Grants	20	200	
<b>All Grants</b>	<b>1,492,042</b>	<b>1,374,201</b>	
<b>All Grants excluding TBC and RSG transfers (for like-for like comparison)</b>	<b>1,466,021</b>		