

DRAFT SEStran Grant Standing Orders

Introduction

These Grant Standing Orders (GSOs) of the South East of Scotland Transport Partnership (“SEStran”) apply from 15th March 2024 and apply (with certain exceptions outlined below) to all grants made by or on behalf of SEStran.

1. Explanatory Note – What are Grants?

- 1.1. Grants are financial contributions to a third party which help to meet the Regional Transport Strategy vision.
- 1.2. Properly constituted grants will not normally be subject to the procurement rules. Further guidance can be found in the Scottish Public Finance Manual, however the following characteristics will help determine whether a grant is the suitable funding route or whether it should be treated as a Public Contract and be subject to normal procurement rules:
 - 1.2.1. Grants are financial contributions to a third party and tend to be an offer to a third party of funds or a financial contribution for a discretionary project or objective which meet SEStran’s priorities or objectives. The grant should not be for services which SEStran receives.
 - 1.2.2. Grant funding will normally be given subject to desired outcomes being met but SEStran will not normally receive services itself.
 - 1.2.3. SEStran is providing funding to support activities that will help it to meet its commitments to the Regional Transport Strategy and where the grant recipient does not have sufficient resources to deliver those activities on a self-sustaining basis itself.
 - 1.2.4. In contrast, Public Contracts are normally a request by SEStran for a specific requirement or service with no discretionary objective for which an agreed price is paid.
- 1.3. There is no financial threshold above which a grant becomes a contract but if the investment is significant this may reflect a significant need in which case greater control and/or a more defined specification may be advisable.
- 1.4. References to ‘Public Contract’ in this paragraph 1 means a contract which is subject to the Procurement Reform (Scotland) Act 2014, the Public Contracts (Scotland) Regulations 2015, the Utilities Contracts (Scotland) Regulations 2016, the Concessions Contracts (Scotland) Regulations 2016 or the Procurement (Scotland) Regulations 2016.

2. General Principles and Application

- 2.1. Grants are subject to the requirements to secure Best Value (as defined in the Local Government in Scotland Act 2003).
- 2.2. Grant funding is for objectives which contribute towards the Regional Transport Strategy.
- 2.3. SEStran is committed to ensuring grant funding is outcome driven, accessible and transparent, supporting projects that meet the needs of the region.

- 2.4. SEStran may use arms-length bodies or other appropriate organisations or community networks to carry out grant disbursement activities on its behalf. SEStran should have an agreement in place with such bodies that sets out the nature of the relationship, the form of accountability, how the assessment panel will be constituted, how the organisation or network is funded or will be funded, and details of the activities they will engage in. Such bodies will be subject to the standards set out in these Grant Standing Orders unless expressly agreed by the Partnership Board.

3. Procedures and Policies

- 3.1. The overarching programmes for the grant programmes and the overarching process/eligibility criteria in respect of that programme for grants in excess of £25,000 shall be developed by the Partnership Director and approved in advance by the Partnership Board.
- 3.2. Grant programmes where the total annual fund value is less than or equal to £25,000 shall be either open or closed as determined by the Partnership Director.
- 3.3. Grant programmes where the total annual fund value exceeds £25,000 per annum shall be open to all eligible applicants.
- 3.4. Prior to award, all grants paid should have specific grant agreements in place which should be suitable and proportionate to the level of funding and reflect the activities and outcomes to be delivered.
- 3.5. All grant arrangements must comply with the requirements of the Subsidy Control Act 2022. At the outset of any grant process the relevant Partnership Director shall ensure that the Subsidy Control Act 2022 is considered and appropriate advice sought. The specific grant agreement must contain provisions ensuring both SEStran's and the recipient's compliance with the requirements of the Subsidy Control Act 2022 as applicable to the grant.

4. Roles and Responsibilities

- 4.1. For each grant, the Partnership Director shall appoint a named officer to oversee the process, manage any issues with individual recipients and ensure outcomes are achieved and managed. The process and management required shall be proportionate to the amount of grant funding.

5. Changes to the Eligibility Criteria and Programmes

- 5.1. Changes to the eligibility criteria, process and the amount of the annual fund may be approved by the Partnership Director where the total annual fund or the amount by which the total annual fund is to change is less than or equal to £25,000.
- 5.2. Other changes to the eligibility criteria, process and the amount of the annual fund shall be approved by the Partnership Board.
- 5.3. In certain circumstances, a restricted process i.e. restricted to existing grant recipients may be appropriate but must be agreed by the Board in advance.

5.4. Notwithstanding 5.1-5.3, where grant funding is from a source other than SEStran (such as the Scottish Government) then this requirement to be open to all eligible applicants shall still apply but be subject to any requirements of the funding body or third party as appropriate that may stipulate restrictions on eligibility. The Partnership Director may approve any changes to the eligibility criteria and process to take account of any changes to the eligibility criteria, process or the amount of the fund to take account of these third party requirements.

6. Assessment Process

- 6.1. For Grant programmes where the total annual fund value is equal to or less than £25,000 applications shall be assessed and evaluated by the Partnership Director.
- 6.2. For Grant programmes where the total annual fund value exceeds or may exceed £25,000 the applications shall be assessed and evaluated by at least two SEStran officers.
- 6.3. For Grant programmes for which applications are invited which exceed or may exceed £100,000 in total annually, it is expected that a panel will be formed, chaired by the Partnership Director, to review the assessments as per 6.1 and make subsequent recommendations.

7. Award of Grants

- 7.1. Grant awards shall be subject to the approvals as follows:
 - 7.1.1. For grants under £1million, these shall be delegated to the Partnership Director for approval (within the agreed annual budget), and reported to the Board for noting at its next meeting
 - 7.1.2. For grants of £1million up to £3million, these shall be delegated to the Performance and Audit Committee (or relevant sub-group) for approval (within the agreed annual budget), and reported to the Board for noting at its next meeting
 - 7.1.3. For grants over £3million, these shall be reported to the Partnership Board for approval
 - 7.1.4. If an agreed grant varies such as it passes one of the above thresholds, approval must be sought in line with 7.1.1 to 7.1.3 prior to issuing any grant variation.

8. Funding and Sustainability

- 8.1. SEStran will not normally provide more than 95% of an organisation's turnover in grant funding.
- 8.2. Prior to any award of a grant exceeding £25,000 the financial sustainability of the applicant organisation shall be assessed.

9. Derogation from Process

- 9.1. In the event that a change is required to the eligibility criteria or assessment process set out above which cannot (for reasons of urgency) wait until the next meeting of the Partnership Board, the Partnership Director and the Chairperson may together agree to approve the change.

- 9.2. With reference to paragraph 7.1.1. and 7.1.2., where the prescribed authority is not available and approval is required urgently, the grant award may be approved by [].
- 9.3. In such instances where paragraph 9.1. or 9.2 are relied upon, all decisions and approvals must be reported to the Board at its next meeting.

10. Review of Grant Standing Orders

- 10.1. These Grant Standing Orders shall be reviewed annually

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