



GRANT STANDING ORDERS

20 March 2025

Introduction

These Grant Standing Orders of the City of Edinburgh Council (“Council”) apply from 20th March 2025 and apply (with certain exceptions) to all grants made by or on behalf of the Council including grants made in accordance with directions to the Council by the Edinburgh Integration Joint Board (EIJB).

1 Explanatory Note – What are Grants?

- 1.1 Grants are financial **contributions** to a third party which help to meet the 2050 Edinburgh City Vision for Edinburgh to be a fair, welcoming, pioneering and thriving city, the EIJB strategic Plan and the Council’s Business Plan objectives in the wider community, in particular the following three priorities
 - 1.1.1 Create good places to live and work
 - 1.1.2 End poverty in Edinburgh
 - 1.1.3 Become a net zero city by 2030
- 1.2 Properly constituted grants will not normally be subject to the procurement rules. The following characteristics will normally help determine whether a grant is the suitable funding route. Further guidance can be found in the [Scottish Public Finance Manual](#):
 - 1.2.1 Grants tend to be an offer of a service from a provider to which the Council makes a financial contribution for a discretionary objective including preventative services which meet the Council’s priorities or objectives.
 - 1.2.2 Contracts are normally a request by the Council for a specific requirement or service, often to deliver a statutory duty or critical service requirement for which an agreed price is paid.
 - 1.2.3 grant funding will normally be given subject to desired outcomes being met but the Council will not normally receive services itself.
 - 1.2.4 the Council is providing funding to support activities that will help it to meet its commitments to the City and where the grant recipient does not have sufficient resources to deliver those activities on a self-sustaining basis itself.

- 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 All grant arrangements must comply with the requirements of the UK Subsidy Control Act 2022. At the outset of any grant process e.g. business case or proposal stage, the relevant Executive Director or the Chief Officer shall ensure that the UK Subsidy Control Act 2022 is considered and appropriate advice sought from Legal and Assurance. Where a grant could potentially provide an economic advantage to the recipient, it must be assessed against the [Statutory Guidance for the UK Subsidy Control Regime](#) and in particular the four-limbed test. Where the grant is considered a subsidy, then a principles assessment needs to be undertaken to ensure the requirements of the subsidy control regime are met and registered with the Scottish Government prior to any funds being issued.

2 General Principles and Application

- 2.1 The principles of transparency, good communication, equity, integrity, respect and fairness, co-operation with partners, communities and citizens and accountability will apply to all decisions on the provision of grant funding.
- 2.2 Grants are subject to the requirements to secure Best Value.
- 2.3 Grant funding is for objectives which contribute towards the Council's and where appropriate the EIJB's policy aims including
- 2.3.1 Create good places to live and work
 - 2.3.2 Ending poverty in Edinburgh
 - 2.3.3 Becoming a net zero city by 2030
- 2.4 When developing grant programmes, the process and award criteria should reflect the Council's Public Sector Equality Duty as set out in the Equality Act 2010. Grant funding should reflect and further the Council's obligations in respect of the principles of equality, diversity and inclusion including the need to:
- 2.4.1 eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct as set out in the Equality Act 2010

- 2.4.2 advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- 2.4.3 foster good relations between people who share a protected characteristic and those who do not
- 2.5 The Council is committed to the principles of collaboration and co-production. Co-production means the real and meaningful involvement of the citizens of Edinburgh and recipients of services in delivering better outcomes. Grant recipients shall be encouraged to communicate effectively and to work together with recipients of services and communities of interest to achieve improved outcomes and to help foster diversity and inclusion principles through the representation in co-production.
- 2.6 The Council is committed to ensuring grant funding is outcome driven, accessible and transparent, supporting innovation and projects that meet the needs of the citizens of Edinburgh.
- 2.7 The Council will only use arms-length bodies or other appropriate organisations or community networks to carry out grant disbursement activities on their behalf, under exceptional circumstances and when there are compelling reasons to do so and this will be subject to agreement by the EIJB or relevant Council Executive Committee (each as appropriate). The Council 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.

3 Procedures

- 3.1 Grant programmes where the total annual fund value exceeds £25,000 per annum shall be open to all eligible applicants. Eligibility criteria shall be determined in advance of the grant programme opening to receive applications by the EIJB or relevant Council Executive Committee (each as appropriate) and be approved in accordance with 5.2. The eligibility criteria for grant programmes where the total annual fund is equal to or less than £25,000 per annum shall be determined by the relevant Director or in accordance with delegated powers.

- 3.2 Eligibility criteria shall be set in accordance with the principles of fairness, reasonableness and proportionality and the Committee approvals required in accordance with 5.2 shall include but not be limited to
- 3.2.1 financial criteria such as minimum or maximum turnover of an organisation
 - 3.2.2 the structure of organisations eligible or ineligible to apply for grant funding
 - 3.2.3 any restrictions in relation to organisations applying for multiple funding strands within that grants programme
- 3.3 Organisations eligible for grants will not normally include profit making organisations unless permitted by the process agreed in accordance with 3.1 and 5.2 of these GSOs.
- 3.4 In certain circumstances, a restricted process i.e. restricted to existing grant recipients may be appropriate but must be agreed by the Council, the EIJB or relevant Council Executive Committee (each as appropriate) in advance. Where grant funding is from a source other than the Council, such as the Scottish Government, or where there is a national funding agreement made on behalf of the Council, 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.
- 3.5 Allocation and subsequent use of grant funding must reflect the priorities of the Council its subsidiaries and partners and where appropriate the EIJB, in particular
- 3.5.1 the commitments, strategic aims and outcomes of the Council's Business Plan 23-27, the Edinburgh 2050 City Vision, The Edinburgh Partnership Community Plan 2018-2028, the Council's 2030 net zero target and the 2030 Climate Strategy and in particular the following three priorities
 - 3.5.1.1 Creating good places to live and work
 - 3.5.1.2 Ending poverty in Edinburgh
 - 3.5.1.3 Becoming a net zero city by 2030
 - 3.5.2 the [Edinburgh Integration Joint Board Strategic Plan](#)
 - 3.5.3 the City Plan 2030 and the relevant local plan

- 3.5.4 the Edinburgh Children's Services Plan
 - 3.5.5 the End Poverty Edinburgh Delivery Plan
 - 3.5.6 The Economy Strategy
 - 3.5.7 the objectives of the Citywide Culture Strategy 2023-2030 and
 - 3.5.8 the Tenant Participation Strategy.
- 3.6 The EIJB may direct the Council to fund such NHS and Health and Social care priorities as it may determine appropriate subject to funding being made available.
 - 3.7 The distribution and allocation of grant funding should be prioritised based on an assessment of need where applicable.
 - 3.8 Participatory budgeting and other forms of community engagement and involvement may be used to allow the local community or community of interest to decide on the distribution of grant funding or outcomes in accordance with the objectives of community empowerment.
 - 3.9 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.
 - 3.10 Grant agreements should detail as a minimum: what the grant is being given for (measurable outcomes, impacts, outputs or activities), how long the grant period relates to, the amount being paid, dates of payment and payment process, terms for repayment of any unspent grant and the requirements to provide regular reports and allow for site visits.
 - 3.11 Grant agreements shall require the grant recipient to comply with applicable legislative requirements, be properly constituted, have in place proper employment recruitment and selection practices, carry out disclosure checks where appropriate, comply with all equal opportunities requirements, take steps to help to deliver the Council's 2030 net zero target and support a just transition to net zero and encourage the adoption of fair work practices including payment at the Real Living Wage Foundation recommended rate.
 - 3.12 Grant applicants shall be required to report on the achievement of outcomes, impacts, outputs and/or activities to which the grant relates. The frequency and detail

of which may vary in proportion to the value of the grant. Confirmation of achieving outcomes, impacts, outputs or carrying out of activities and the spend to date may be required before any future payment is released.

4 Roles and Responsibilities

- 4.1 For each grant the relevant Executive Director or the Chief Officer of the EIJB shall appoint a Grant Monitoring Officer or named officer to set targets, 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.
- 4.2 Commercial and Procurement Services shall have responsibility for reviewing and updating the Grant Standing Orders and maintaining a Council Grants Register. Each Executive Director has responsibility for all grants awarded by their Directorate and is accountable to the Council for the performance of their duties in relation to grant award and management which are: -
- 4.2.1 to ensure compliance with these Grant Standing Orders;
 - 4.2.2 to adhere to the Council's commitment to co-production;
 - 4.2.3 to take all appropriate measures to prevent, identify and remedy conflicts of interest arising in the assessment of grant awards and to ensure equal treatment of grant applicants;
 - 4.2.4 ensure that the grants register is updated within 28 working days following the issue of a grant award letter and in any event prior to the start date of the grant;
 - 4.2.5 to enter the required purchase order information onto the relevant Council financial system prior to the grant award being paid.

5 Assessment Process

- 5.1 For Grant programmes where the total annual fund value exceeds or may exceed £25,000
- 5.1.1 the applications shall be assessed and evaluated by more than one Council officer or a peer group panel and where assessment panels are to be made up of community participants or representative bodies,

reasonable and proportionate endeavours will be made to reflect the principles of diversity and inclusion; in the case of arms-length bodies or other appropriate organisations or community networks who are disbursing funds on behalf of the Council or the EIJB such appropriate panel as is set out in the agreement with the Council.

5.1.2 the applicant organisations should be able to demonstrate their links or proposed links to the local community or relevant community of interest.

5.2 In addition to 5.1, for Grant programmes for which applications are invited which exceed or may exceed £100,000 in total annually the process to determine successful grant applicants shall be determined by the relevant Council Committee or the EIJB (each as appropriate) and the successful applicants shall be reported back to that Committee for approval unless otherwise delegated in accordance with the Scheme of Delegation or awarded through participatory budgeting. Where grant funding is from a source other than the Council, such as the Scottish Government, this requirement 5.2 shall still apply but shall be subject to any requirements of the funding body. Where grant funding is Council funding but agreement is reached as part of a National Funding Agreement such as those arranged by COSLA then the process shall be determined by the body making the agreement on behalf of the Council but the duty to report back to Committee for approval shall still apply.

6 Funding and Sustainability

6.1 To encourage the future financial sustainability and diversity of funding sources, applicants should be encouraged where possible to seek and secure alternative sources of funding in addition to Council or EIJB funding.

6.2 The Council will not normally provide more than 95% of an organisation's turnover in grant funding.

6.3 Prior to any award of a grant exceeding £25,000 the financial sustainability of the applicant organisation shall be assessed.

7. Fair Work Practices and payment of the Real Living Wage

7.7 The Council will encourage and work with funded organisations to adopt policies and practices which comply with the Scottish Government's Fair Work First criteria where appropriate to the size and sector of the organisation. The Fair Work First criteria asks organisations to commit to the following:

- 7.7.1 investment in workforce development;
 - 7.7.2 no inappropriate use of zero hours contracts;
 - 7.7.3 action to tackle the gender pay gap and create a more diverse and inclusive workplace;
 - 7.7.4 payment of at least [Real Living Wage](#)
 - 7.7.5 offer flexible and family friendly working practices for all workers from day one of employment;
 - 7.7.6 oppose the use of fire and rehire practices; and
 - 7.7.7 provide appropriate channels for effective workers' voice, such as trade union recognition
- 7.8 Payment of the Real Living Wage can make a material difference to workers and their families, particularly during the cost of living crisis. The Council shall encourage funding requests to reflect payment of staff at a rate equal to or above the Real Living Wage along with all Fair Work criteria.
- 7.9 In accordance with the Scottish Government's [Fair Work First Guidance](#), where funding is received from the Scottish Government to be disbursed by the Council, the Council shall apply the conditional requirements that the recipient organisation:
- 7.9.1 will require to demonstrate and/or confirm that it pays at least the Real Living Wage to all directly employed Scottish based staff aged 16 and over, including apprentices , and to all workers who are directly engaged in delivering the grant funded activity, even those not directly employed by the grant recipient such as sub-contractors and agency staff who are based anywhere in the UK; and
 - 7.9.2 provide appropriate channels for effective workers' voice as a minimum standard
- 7.10 The Council may in accordance with the Fair Work First Guidance apply limited exceptions to organisations who cannot pay at least the real Living Wage in order that the measure is proportionate. Any decision to depart from these conditional criteria

shall be taken by the Executive Director and must follow the steps outlined by the Scottish Government and a record of these exceptions must be kept.

8 Delivering a Net Zero, Climate Ready Edinburgh

- 8.1 The Council requires funded organisations to commit to reducing their carbon footprint to help deliver Edinburgh's 2030 net zero target and address the nature emergency.
- 8.2 For organisations where the total annual fund exceeds £5,000 the Council
- 8.2.1 will require the funded organisation to complete the Council's Environmental Considerations' template including specified actions to address the nature emergency and
 - 8.2.2 encourages funded organisations to join the Edinburgh Climate Compact or similar sector-appropriate sustainability alliances where it is appropriate given the size and nature of the organisation.

9 Award of Grants

- 9.1 Subject to 9.3 and 9.4, for Grant programmes where the total fund exceeds £25,000 annually the award shall be subject to the approval of the relevant Council Committee, EIJB or the designated proper officer as the Council delegates in the Scheme of Delegation. For grant programmes where the total annual fund is equal to or less than £25,000 per annum the award shall be approved by the relevant Director or in accordance with delegated powers.
- 9.2 The relevant Committee or designated proper officer under the Scheme of Delegation may
- 9.2.1 approve the recommendations;
 - 9.2.2 approve the recommendations subject to approved amendments;
 - 9.2.3 reject the recommendations.
- 9.3 Where the funding is to be made or continued over subsequent years the recommendation and approval as per 9.2 shall make this clear
- 9.4 External grant funding shall be subject to the agreement and or approval of the relevant funding body as required.

9.5 For grant programmes where 9.1 requires the approval of the relevant Council Committee or EIJB then a report setting out a list of organisations which have previously been in receipt of a grant under the preceding grant programme that the current grant programme replaces or follows on from will be provided. The list shall include those that are recommended to receive a grant and those that are not recommended. Where an organisation which has not been recommended to receive a grant, objects to the inclusion in the report then the information shall be provided as confidential information under the Local Government (Scotland) Act 1973 Schedule 7A as a 'part B' Agenda item.

10 Declaration of Interest

10.1 The Councillors' Code of Conduct set by the Standards Commission for Scotland (Code of Conduct) defines membership or holding office in a company, club or voluntary organisation as a declarable non-financial interest.

10.2 The Code of Conduct for Members of the Edinburgh Integrated Joint Board (Code of Conduct) sets out those interests which require declaration.

10.3 It is the responsibility of the individual elected member or EIJB board member to make a decision about whether a declared interest prevents them taking part in any discussions or voting. Regard should be had to the terms of the relevant Code of Conduct as applicable and advice should be sought from appropriate senior Council employees where there is any doubt. The objective test as set out in the relevant Code of Conduct will apply, i.e. whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice an elected member's/board member's discussion or decision making in their role as a councillor or as a member of the Edinburgh IJB.

11 Monitoring and Continuous Improvement

11.1 The relevant Executive Director or the Chief Officer of the EIJB may require a grant recipient to take appropriate advice on its actions and to make frequent monitoring reports to the Council on such matters as: income, expenditure, profitability, liquidity and other financial matters; achievement of targets; and future plans.

11.2 Regardless of representation on committees or boards, the relevant Executive Director or the Chief Officer of the EIJB shall require grant recipients in excess of £25,000 to provide an annual financial and performance report.

- 11.3 Where the annual award of grant exceeds £25,000 the grant Monitoring Officer may hold an annual review meeting with the grant recipient or require such reports as will allow the review of such matters as attendance, service user levels, the current financial position and whether agreed targets and outcomes have been achieved.
- 11.4 A clear escalation process shall be established in relation to governance issues should they arise.
- 11.5 The relevant Executive Director or the Chief Officer of the EIJB shall require grant recipients to provide a right of access to relevant records, and, if appropriate the accounts and financial arrangements of the grant recipient so that they may be properly audited if required.

12 Urgency

- 12.1 In the event that urgent requirements out-with the Council's control make it impractical for these GSOs to be followed then in order to disburse grant funding as a matter of urgency the urgency provisions set out in provision 4 of the Council's Committee Terms of Reference and Delegated Functions where appropriate should be followed. At their discretion, the relevant Executive Director should make relevant members (e.g. ward councillors) aware of the decision taken under the urgency provisions. The relevant Executive Director shall report the award to the next available executive committee, full council or EIJB meeting.

13 Review of Grant Standing Orders

- 13.1 These Grant Standing Orders shall be reviewed annually.