

Agenda item 11 Grants policy

(This Policy was approved at minute [] at the meeting held on the [] 2020. All reports to Council for grant approval should mention this minute reference)

Summary

To approve a policy for the award of grants

Background

Parton Parish Council has been able to provide grants to external bodies for many years but has never had a policy setting out just how, under what criteria, and the level of grant it is willing to provide. The Council is funded, through the precept, and has limited funds available to assist community organisations in Parton for the benefit of the community. The monies included in the Budget for grants totals £1,100 but that sum may need to be reduced depending on events through the year. There is a need for the Council to show some equality between all potential competing organisations in Parton for the limited grant funds it has.

Legal

The Councils grant giving powers are contained in a number of statutes and each has their own set of conditions setting out what a grant may be given for and some administrative or legal limitations in awarding a grant. We have -

Local Government (Miscellaneous Provision) Act 1976 s. 19 – Grants to voluntary organisations (not for profit) to provide recreational facilities in Parton and which may include the provision and equipping of buildings for recreational facilities

Local Government Act 1972 s133 – Grants for the acquisition, provision and/or furnishing of community buildings

Local Government Act 1972 s.145 Grants for

- a) the provision of an entertainment of any nature or of facilities for dancing;
- (b) the provision of a theatre, concert hall, dance hall or other premises suitable for the giving of entertainments or the holding of dances;
- (c) the maintenance of a band or orchestra;
- (d) the development and improvement of the knowledge, understanding and practice of the arts and the crafts which serve the arts;
- (e) any purpose incidental to the matters aforesaid, including the provision of refreshments or programmes and the advertising of any entertainment given or dance or exhibition of arts or crafts held by them.

Local Government Act 1972 s.137 – This is a catch all provision to be relied on if there is no other specific legal power to provide a grant. The level of grant must be commensurate with the

expenditure to be incurred. If a Grant is awarded under this power the resolution must show that the Council is satisfied on the following factors –

- Firstly that what the Council proposes to do is, in the Council's opinion, in the interests of, and will bring direct benefit to, Parton or any part of it or all or some of its residents.
- That, in a financial year, it will not be spending under this power any more than a sum determined by a statutory formula. That is the number of residents multiplied by a sum specified by the Secretary of State (usually specified around January/February time each year). The Council's budget figure is below that figure for 2020/2021

Local Government Act 1972 s.144 – Grants to encourage persons to visit Parton area for recreation, for health purposes, or to hold conferences, trade fairs and exhibitions. Broadly - tourism

Details

To fit into the statutory framework it is suggested that the Council agrees that to qualify for a grant the applicant should not be a commercial organisation and

- be established for charitable, benevolent, social, cultural, recreational or philanthropic purposes.
- have a constitution, or set of rules, which defines its aims, objectives and operational procedures.
- must not intend to use the grant to support or oppose any particular Political party or to discriminate on the grounds of age, race, gender, gender reassignment, disability, sexual orientation, religion or belief. or religion
- be able to provide a copy of its latest annual accounts and/or most recent bank statement. Its accounts should be checked and signed by a person independent of the group.
- have a bank account operated by a minimum of at least two joint signatories.
- the project should be something that makes the local community a better place in which to live, work or visit.
- it should benefit people who live in the Parish.
- there must be clearly presented evidence that local people support the project and are involved in carrying it out.
- applications do not have to be from groups that already exist provided that they are properly constituted when the grant is given.
- each group may only make one application per financial year due to the limited funds (1 April to 31 March).
- Projects that have already been completed or will have been by the time the grant is made.

To apply for a grant the applicant should

- use the official application form (a suggested format is set out below) will be on our web site
- show the extent to which funding has been sought or secured from other sources or own fund-raising activities.
- evidence that the grant will only be used for the purpose agreed with the Parish Council and if all the monies are not spent on the items agreed, the balance must be returned.
- Ensure that funding is spent within the financial year awarded and cannot be added wholly or partly to the organisation's reserves. The Council could agree to being carried forward

into another financial year but Council would not normally carry forward a grant as that may eat into the following year's grant allocation in its budget.

- Agree that if their project costs are more than anticipated on application then any shortfall must be met by the group
- agree that parish councillors may visit a project or activity prior to the project or activity commencing so that they can fully understand it. They may also wish to conduct a site visit once the funded project is underway.
- confirm that they will acknowledge receipt of the cheque for audit purposes, or as the cheque is handed over a representative of the group will sign a form or receipt at the same time.
- provide evidence of expenditure (receipted invoices) to the Clerk to the Council on completion of project. This will be discretionary – based on the amount given and the purposes given. (If required, this evidence of expenditure should be equal to, or more than, the total of the amount of the grant detailed on application.)
- agree that any unused funds at the end of the financial year in which the grant is paid out must be returned to Council.
- acknowledge the Parish Council's support in all publications, publicity and annual reports.
- show the funding awarded separately in their published financial accounts and agree that the Parish Council can have access to their financial records, on request, where appropriate.
- ensure that a representative of the organisation gives a written report at the Annual Parish Council Meeting on how the group spent the money and, if appropriate, how the group or project is progressing. This report must be with the Clerk to the parish Council at least 14 days before that meeting to ensure that it can be issued with the Agenda
- show that they will not access funds from a national "umbrella" or "parent" organisations, unless funds are not available from their national bodies, or the funds available are inadequate for a specified project.
- show, if a religious groups that the grant will provide a clear benefit to the wider community irrespective of their religious beliefs. Compliance with this requirement will need to be demonstrated throughout the project.
- show, if a school, that the grant is for the benefit of the wider community.
- agree if any further information is required by the Parish Council in connection with the application then it will be provided.

GRANT APPLICATION FORM

This form will be submitted to the Parish Council to assist in its decision making.

Any financial figures should be for the last financial year of the group. If possible, a summary statement of accounts (e.g. receipts and payments plus the bank balance) should be attached. It is preferable, but not essential, if the accounts have been audited.

1. Name of group/organisation

2. Name on bank account (for cheque payments)

3. Registered Charity Yes/No

4. Charity Number (if applicable)

5. Please supply a copy of your Charitable trust Deed

6. Contact name
7. Position with the Group
8. Contact name's home address
9. Contact name's telephone number
10. Contact name's e-mail address.
11. Brief description of group and its aims
12. Copy of the group's constitution must be attached
13. Brief description of project for which you are making this application
14. If this application is for a Grant of money, state how much.
15. Please provide supporting quotations
16. What is the total cost of this project?
17. Please provide details of how this figure is built up
18. Have you applied, been promised or received Grants/Donations from any other sources for this project? If so who?
19. Number of members in the Group
20. Number of members resident in the Parish of Parton
21. Total spent by the group in the last twelve months
22. Total received by the group in the last twelve months
23. Main income sources – please itemise
Current bank balance (please state date)

24. Special/other considerations (please state)

I am authorised to sign this form on behalf of the applicant organisation and can confirm that it agrees to be bound by the Council's terms and conditions for awarding a grant and that it will sign any document the Council requires when the grant is made to confirm that it will only be used for the purposes for which it is made.

Signed _____ dated _____

Status in the organisation _____

(This should be Secretary, Trustee or Treasurer)

Budget Implications

In view of the limited funds available it may be appropriate to agree a maximum grant that may be made available per applicant. Grants in the past seem to have been around no more than the £150 mark and which would be about 7 grants through the year.

If the policy is accepted then members may wish to recognise that the Council has made a grant available to the Old Folks Christmas Party each year and that perhaps the organisers be advised to submit an application as soon as possible before funds expire

Risk Management Implications

I have had a difficulty finding evidence that, in the past, the Council has properly undertaken a due diligence exercise to ensure that any grant properly and lawfully fell within the parameters laid down by law. This is not to say that they have not done merely that it may have been the case in the past that some grants may not have been lawful. This proposal would better ensure that the Council was not incurring expenditure unlawfully and could ensure a proper audit trail on the expenditure of public funds. This proposal assists in meeting the risk management principles I set out in the Audit report considered by Council at its 16th January 2020 meeting.

Recommendation

1. That the Policy set out in this report be accepted
2. That the maximum grant per application be in the sum of £150