

GRANT FUNDING POLICY & PROCEDURE

INTRODUCTION

Local councils in England and Wales can rely upon general powers to act and spend money, including the provision of funds (grants) to other organisations or bodies, unless they are restricted from doing so. The powers are as follows:

- (1) S.137 of the Local Government Act 1972
- (2) The General Power of Competence (England, if eligible)

S.137 cannot be used by a local council in England that is eligible to exercise the General Power of Competence except to donate money to certain charities and appeals (section 137(3)).

Overview of the Powers

General Power of Competence – S.1(1) of the Localism Act 2011 (the 2011 Act) provides that a local authority has power to do anything that individuals generally may do. “Local authority” is defined in s.8 of the 2011 Act and includes an eligible parish council.

Godalming Town Council is an eligible council to exercise the General Power of Competence (GPC). In considering how the Town Council grants public funds to other organisations and bodies, the relationship between S.137 and the GPC is important and has been used to guide the Council’s grants policy and procedures exercised under the GPC.

Purpose of Grants Provided by Godalming Town Council

The guiding principle and the basic power for the Council to provide either direct grant funding or grant-aid in kind, is that there must be a direct benefit to the civic parish of Godalming or part thereof, or all or some of its inhabitants. The Council is the body to determine whether or not such benefit will accrue, and a decision by the Council can only be challenged on the ground that it was wholly unreasonable.

The use of “some” in relation to the inhabitants means that the Council cannot use the power to benefit a single individual. However, it may be possible for the Council to help an organisation that supports individuals, for example a youth organisation wishing to fund participation in a national or international event.

The Council must also ensure that the direct benefit accruing to its area or residents is commensurate with the expenditure incurred. This means that a council should not spend a disproportionately large amount on something which has no or very little direct benefit.

The Council can only provide funds to a public or voluntary body for expenditure on publicity when it is incidental to the main purpose for which the Council is giving financial assistance.

Section 137(3) of the Local Government Act 1972 states that contributions may be made to charities and bodies providing a public service on a non-profit making basis, but only in furtherance of their work

in the United Kingdom. It is unlawful for a council to contribute to a charity or a public service body operating overseas, or to a fund established to help persons outside the UK.

Contributions to UK charities and bodies providing a public service do not have to bring any direct benefit to the council's area or to its inhabitants.

Authorisation of Expenditure

As Councillors are collectively expressing an opinion as to the commensurate local benefit, grants provided by Godalming Town Council must be properly authorised by resolution.

Contributions to Voluntary Bodies, Charities etc.

Where a council provides financial assistance it will require the body or charity to furnish a written statement of how the money has been spent, within 12 months after the assistance has been given.

TYPES OF GRANTS

Godalming Town Council will allocate funds for the provision of council funded grants as part of the annual budget setting process. At the meeting of the Policy & Management Committee following the approval of the budget by Full Council, Members will apportion the grant funds to the differing schemes provided by the Council.

Service Level Agreements

Service Level Agreements (SLA) are an instrument through which the Council guarantees a specified level of financial support for an agreed period of time for the provision of a specific service that benefits the community. Such arrangements allow the service provider the financial security to invest in the service and the Council with measurable outcomes for the support provided. SLA's will run from April to the following March for the number of years agreed by the Council. No single agreement is to exceed 4 years before coming back to Council for review/renegotiation/renewal.

All SLA applications are to be supported by a statement of the purpose of the SLA funding, the last two years' of audited accounts of the service provider, or in the case of a new organisation a full budget proposal and the name and position of the proposed signatories for any agreed SLA. The statement of purpose is to include how the service to be supported will provide a direct benefit to the civic parish of Godalming or part thereof, or all or some of its inhabitants, along with the proposed measurable/definable outcomes.

SLA's, whilst providing a degree of certainty for service providers and council alike, can commit a significant amount of the Council's available grant funds. Councillors, when considering either the renewal of an existing agreement or the awarding of a new SLA, will be required to consider the accumulative effect of SLA funding on the ability to provide one-off project funding through Community Grants or the General Grants Scheme. It is for the Council to determine the overall amount of funding provided for grants support. The level of funds to be allocated in the revenue budget will be agreed annually as part of the budget setting process. As such, decisions regarding the renewal of existing or the awarding of new SLA's will be taken in the September preceding the April of the first year of the proposed or renewed agreement.

All proposals for the renewal of an existing SLA or the awarding of a new SLA are to be considered at the September meeting of the Policy & Management Committee. It is for that committee to determine whether to approve an SLA, if within its delegated authority, or to recommend its approval to Full Council in accordance with Financial Regulations if it exceeds delegated spending authority. Additionally, it will be for the Policy & Management Committee to recommend whether any new SLA should be funded from within the existing grants budget or whether the grants budget should be increased to fund the new

SLA and by what amount. If required, recommendations of the Policy & Management Committee relating to an SLA requiring approval by the Full Council will be considered at the next meeting of the Full Council.

Decisions of the Council that require additional expenditure will be included as part of the budget setting process. The budget setting process will determine whether a recommendation/decision of the Council can be funded from existing resources or whether additional precept funding is required.

Members will also wish to note that in accordance with Financial Regulation 1.14, any agreement that would commit the Council to an expenditure, whether as a one off or accumulative payment, in excess of £50,000 is required to be approved by Full Council.

Community Grants

The Council's Community Grants Scheme is aimed at providing grants of less than £1,000 for initiatives identified by Members that are of benefit to the local community, or which community groups and residents have brought to the attention of Members as being of benefit to an area within the civic parish of Godalming or will provide a benefit to residents of the parish.

The allocation of funds to the Community Grants Scheme will be divided into two accounting periods, 50% of allocated funds will be available for grant awards made by the Policy & Management Committee between April and August (4 meetings) with the remaining 50%, plus any uncommitted fund from the first tranche, being available for consideration by the Policy & Management Committee between October and March (4 meetings). Except where it has been called because of the cancellation of a scheduled meeting, grant applications will not be considered at extraordinary meetings of the Policy & Management Committee.

The Community Grants Scheme is split into two award levels.

For applications up to £500, the application requires the support of at least one Member of the Council in order to bring it to committee. The Member supporting the application is required to email the Town Clerk with the details of the initiative/project, setting out:

The aim of the initiative/project.

Who it will benefit.

The sum being applied for and the purpose for which the funds will be used.

Who will be responsible for the delivery of the project.

For applications between £501 and £1,000, in order for it to be placed before the Committee, in addition to the information required above the email to the Town Clerk is to provide the name of at least one other Councillor supporting the initiative/application. All named Councillors are to be copied into the application email.

On receipt, the Town Clerk shall bring any such application to the next available meeting of the Policy & Management Committee.

The criteria for a Community Grant award should meet the basic selection criteria of the General Grants Fund, ie. be of benefit to the community.

For organisations that do not have a bank account, funds will be held by the Town Council, who will make appropriate arrangements to pay suppliers direct/reimburse costs on production of receipts. Funds will not be paid into personal accounts without proof of expenditure.

General Grants

The General Grants Fund is available for applicants from:

- Organisations located within the civic parish of Godalming wishing to apply for grant support from the Council in excess of £1,000 for a one-off specific project.
- Organisations based outwith of the civic parish of Godalming applying for any level of grant support.

To apply for a General Grant from Godalming Town Council organisations will need to complete an application form and submit it to the Town Clerk at least three weeks prior to the September meeting of the Policy & Management Committee. The submission deadline date and committee meeting date for consideration of both SLA and General Grant applications will be posted on the Council's website following the approval by Full Council of the Schedule of Council Meetings.

Urgent Applications

If a situation arises where, due to unforeseen circumstances, a community group or organisation that provides a benefit for the residents of the Parish of Godalming needs to seek grant funding in order to continue to operate, it may submit an application at any time to the Town Clerk for consideration by the Council. In making an urgent application the applicant must:

- Complete the normal General Grant Application Form.
- Provide a covering letter stating why the application cannot be deferred to the annual General Grants award meeting. The covering letter will need to explain, if the reserves held by an organisation are greater than the amount being applied for, why the organisation is unable to use its reserves.
- Provide a full set of accounts, including current in year balances, liabilities and assets.

On receipt of an urgent application and having confirmed the application meets the grants criteria, the Town Clerk will, in consultation with the Chair of the Policy & Management Committee, bring the application forward for consideration by Members.

In considering an urgent application, if the application is submitted before the September General Grants award meeting, up to 50% of the General Grants fund may be awarded. If an urgent application is submitted after the September General Grants award meeting, Members may make an award from any balance remaining in the General Grants Fund or if the grant applied for is greater than the remaining balance, an award of an amount no greater than 50% of the original amount allocated to the General Grants Fund. In doing so any shortfall between the remaining balance and the sum awarded is to be funded from either the Emerging Projects Fund and/or General Reserves as advised by the RFO and agreed by Members.

If an urgent application is granted an award in excess of the available General Grants Funds, any end of year balance from the Council's Community or Carbon Reduction grant funds are to be vired to either the Emerging Projects Fund or the General Reserve as appropriate. However, if those balances are less than the amount required to replenish funds drawn from the General Reserve, the outstanding balance is to be taken from the immediate following year's General Grants Fund allocation (this will mean that unless Members choose to increase the overall funds available for grants during the budget setting process, the following years General Grants Fund will be reduced). If an urgent grant application was supported by funds taken from the Emerging Projects Fund, only the end of year balances from the Community Grants and Carbon Reduction Funds are required to be used to replenish the Emerging Projects Fund.

Carbon Reduction & Biodiversity Fund

Godalming Town Council's Carbon Reduction & Biodiversity Fund provides funding towards projects where a primary aim is to reduce CO² emissions in Godalming and promote biodiversity. The fund is

designed to support activities such as (but not limited to): practical work, feasibility studies/research projects, awareness raising or training.

The Council anticipates that projects which fit into one or more of the following themes to be eligible for this grant, though innovative schemes which further the aims of this grant, but do not fit within these categories are also welcome to apply.

- Energy conservation and renewable energy,
- Reduction in energy use in homes, businesses and elsewhere,
- Low carbon transport,
- Farming and food, particularly the production, sale and consumption of preferably organic locally sourced food
- Community involvement in reducing CO₂ emissions
- The creation, restoration or enhancement of wildlife habitats

The primary criterion for carbon reduction applications to the fund is CO₂ savings per pound spent. Carbon reduction grants are intended to help facilitate projects whose primary aim is to reduce CO₂ emissions within Godalming parish. Although not required, applications who are able to provide a quantitative estimate of CO₂ savings that result from their proposed activity will be favoured.

The primary criterion for biodiversity applications to the fund is biodiversity net gain.

The fund can endorse projects which enable applicants to leverage income from other sources or be the full and only sponsor of the project.

The application form and guidance notes for the Carbon Reduction & Biodiversity Fund are available on the Council's website. Applications are to be submitted to the Town Clerk. Applications for this fund will be considered by the Environment & Planning Committee in July and November of each year.

The submission deadline dates and committee meeting dates for consideration of Carbon Reduction and Biodiversity Fund applications will be posted on the Council's website following the approval by Full Council of the Schedule of Council Meetings.

GRANTS CRITERIA – SLA, COMMUNITY & GENERAL GRANTS

General Grants, Service Level Agreements – Minimum Criteria

(You must meet this for your application to be considered)

- Groups applying must provide the following with their application:
 - ✓ Constitution or aims
 - ✓ Copy of accounts (these will not be required for a new organisation)
 - ✓ Copy of budget for current financial year
 - ✓ Copy of last annual report to members (this will not be required for a new organisation)
 - ✓ The group must have a bank account in the name of the group.
- Additionally, applicants for Service Level Agreements must also provide:
 - ✓ Statement of the purpose of the SLA funding
 - ✓ Last two years of audited accounts or in the case of a new organisation a full budget proposal
 - ✓ Name and position of the proposed signatories for any agreed SLA.

NB. The statement of purpose is to include how the service to be supported will provide a direct benefit to the civic parish of Godalming or part thereof, or all or some of its inhabitants, along with the proposed measurable/definable outcomes.

Selection Criteria – All Grants

(Your application will be assessed on the degree to which it meets the following)

- Applications should demonstrate a direct benefit to the civic parish of Godalming or part thereof, or all or some of its inhabitants.
- The organisation or group must not have received any other grant funding from the Town Council for the project applied for in the same financial year.
- Priority will be given to those applications for which the grant will lever in/match other funds.

Grant Conditions – All Grants

Grant recipients must:

- Apply the grant to the purpose for which it was awarded.
- Provide evidence to the Town Council within one year of the award of the grant detailing how the grant was spent.
- Work with the Town Council to make opportunities to recognize the Council's contribution to the project eg. by arranging an appropriate press release and photo opportunity with you and the Mayor of Godalming (we will provide copies of our logo for printed and digital media and we can provide a simple certificate for display if that would be appropriate).