



Policy and Finance Committee

Date: 23 January 2023

Title: General Grant guidelines

Purpose of the Report:

To consider temporary amendments to the General Grant guidelines as suggested by the Grants & Awards Sub-Committee on 7 November 2022.

Contact Officer:

Sarah Sandiford, Deputy Town Clerk

Corporate Objective/s	n/a	
Implications:		
Financial	No	Existing budget line.
Human Resources	No	Grants are administered within existing resources.
Operational/Service delivery	No	Grants are administered within existing resources.
Procedural/Legal	Yes	LGA 1972 s137, Localism Act 2011 & others as appropriate
Risk/Health and Safety	No	
Environmental Aims	No	

1 RECOMMENDATION/S

Should the Committee be minded, the proposals are:

1.1 To note the report.

1.2 To consider endorsing temporary amendments to General Grant criteria for financial year 2023-24 in acknowledgement of the impact of the Covid pandemic and Cost of Living/energy crisis on charity, voluntary and not-for-profit groups.

2 BACKGROUND

- 2.1 The Town Council has operated a number of grant schemes over time, including the four-year Guaranteed Grants and the annual General Grants which are ongoing, as well as ad-hoc schemes such as the Youth Promise Grant and the 55UP grants.
- 2.2 Generally, Grants guidelines are designed to comply with the requirements of the general power outlined in the Local Government Act 1972 s137. This legislation permits councils to spend a limited amount of money on expenditure for which they have no other specific power and to give financial assistance to “a body providing a public service or a charity”.
- 2.3 The detail of LGA 1972 s137 is reflected in the General Grant guidance, for example the requirement for grant recipients to provide a report back to the council on grant expenditure within twelve months. The legislation also stresses the importance of expenditure being commensurate with the direct benefit accrued to “some or all residents”:

137 Power of local authorities to incur expenditure for certain purposes not otherwise authorised.

(1)A local authority may, subject to the provisions of this section, incur expenditure which in their opinion is in the interests of, and will bring direct benefit to, their area or any part of it or all or some of its inhabitants, but a local authority shall not, by virtue of this subsection, incur any expenditure—

(a)for a purpose for which they are, either unconditionally or subject to any limitation or to the satisfaction of any condition, authorised or required to make any payment by or by virtue of any other enactment; nor

(b)unless the direct benefit accruing to their area or any part of it or to all or some of the inhabitants of their area will be commensurate with the expenditure to be incurred.

- 2.4 Expenditure under LGA 1972 s137 is restricted by law to a sum which is provided annually. For 2022-23 this sum is £8.82 per elector, i.e. a total of **£279,435.24** (£8.82 x 31,682). The 2022-23 revenue budget for grants is **£79,803**, with an additional £10,000 agreed for new Cost of Living grants in October 2022.
- 2.5 For local councils eligible to exercise the General Power of Competence, there exist further general powers, allowing them to do “anything individuals generally may do”. This does not however override any pre-existing limitations in law, for example the LGA 1894 restriction preventing councils from expenditure on property relating to the property of the Church.

- 2.6 Leighton-Linslade Town Council last confirmed its eligibility to exercise the General Power of Competence in May 2019.
- 2.7 Local councils are also empowered under s.142(2A) of the Local Government Act 1972 to assist voluntary organisations (such as Citizens Advice) to provide individuals with information and advice about their rights and obligations, and to provide certain assistance in asserting those rights or fulfilling their obligations.
- 2.8 The two main and ongoing grant schemes operated by the Town Council can be summarised as follows:

2.8.1 Guaranteed Grants

These provide funding over a four year period, with an increase each year reflecting RPI. Guaranteed Grants are intended to support long term projects through a contribution towards operating costs for core functions.

2.8.2 General Grants

These provide a one-off grant of up to £500 (£250 for start-ups) for a specific project to be completed within a twelve month period. This might include helping groups to buy equipment, pay for training, promote their activities or fundraise themselves. In this way, general grants often help groups build capacity towards becoming self-sustaining, or top up funds already raised by the group towards a project. They are not intended to cover general running costs.

3. UPDATE

- 3.1 At its meeting held 7 November 2022, the Grants & Awards Sub-Committee noted the significant impact of the Covid pandemic on charity, voluntary and not-for-profit organisations, in reduced volunteer numbers, reduced attendance or membership and reduced ability to fundraise in traditional ways throughout much of 2020 and 2021.
- 3.2 This impact was acknowledged during financial year 2021-22 when a third round of General Grant funding was offered, with loosened criteria allowing groups to apply for money towards general operating costs.
- 3.3 The Grants & Awards Sub-Committee has now started to see a trend whereby groups are looking to subsidise operating costs in order to not have to pass on increased costs to members at a time of economic difficulty. It was acknowledged that some groups or organisations, still suffering lower memberships than pre-pandemic, might not survive if membership was further affected by cost of living pressures experienced by those accessing the activity or service.
- 3.4 The resolution made by Council on 10 October 2022 to allocate a further £10,000 to Cost of Living grants was in recognition of the additional support or

services being provided to residents by many organisations as a result of the economic situation.

3.5 The current General Grant guidelines are **attached** for information.

4 RECOMMENDATIONS

4.1 It is suggested that Committee may wish to consider amending the following guidelines for financial year 2023-24:

4.1.1 Part B – who may not apply

Re-word to clarify that grant itself cannot be used to meet any purpose which is the statutory responsibility of another provider

4.1.2 Part E – what will not be funded

Consider removing “general revenue costs”, “insurance costs”

4.2 To comply with LGA 1972 s137 and to ensure best practice, it is not recommended that any other criteria be removed (e.g. funding to individuals, more than one general grant per year, requirement for organisation to be constituted or have a governing document, requirement for 2+ account signatories).

End.

Appendices:

General Grant Guidelines 2022