



Policy and Finance Committee

Date: 19 September 2022

Title: Cost of Living Crisis

Purpose of the Report:

To consider allocating funds for additional grants to local organisations providing support to residents over the next ten months.

Contact Officer:

Sarah Sandiford, Deputy Town Clerk

Corporate Objective/s	n/a	
Implications:		
Financial	Yes	Funds would need to come from general reserves.
Human Resources	No	Grants can be administered within existing resources.
Operational/Service delivery	No	Grants can be administered within existing resources.
Procedural/Legal	Yes	LGA 1972 s137 Localism Act 2011
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 the provision of additional grant funding in light of the Cost of Living crisis and if so, to agree an amount to be allocated from general reserves and to set scheme parameters.

2 PROPOSAL

2.1 The Motion submitted to Committee for consideration is as follows:

To consider how the Town Council could best make a grant or grants totalling up to £1,000 per month over the next ten months to local charitable/not for profit organisations which are providing food and other emergency aid to local people in need.

2.2 The following additional statement has been provided by the proposer of the Motion, Councillor S Owen:

“Councillors will need no reminder that the Cost of Living Crisis is impacting on some of our residents in greatest need. We wait in hope that an announcement of Government assistance on energy prices may be imminent. However, on its own that may not be sufficient for desperate people. This Motion suggests some temporary (10 months) emergency additional grant support for our voluntary agencies. At the end of that time we can reconsider. Please support it.”

3 APPROPRIATE LEGISLATION & POLICIES

3.1 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.

3.2 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”.

3.3 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.

- 3.4 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**.
- 3.5 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.
- 3.6 Leighton-Linslade Town Council last confirmed its eligibility to exercise the General Power of Competence in May 2019.
- 3.7 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.
- 3.8 In 2021, the Town Council adopted a protocol for funding to third parties falling outside of official grant schemes, as well as the use of town council assets by third parties (**attached**).

4 FINANCIAL IMPLICATIONS

- 4.1 There is no provision in the revenue budget or in earmarked reserves for additional grant funding. This would therefore need to be taken from the Council’s general reserve.

5 CONCLUSIONS

- 5.1 Should it wish to do so, the council has the legal powers and finances to allocate additional grant funding to organisations in respect of the Cost of Living crisis.

5.2 Committee may wish to consider specifying parameters for such a scheme, for example:

- Whether grants are to be one-off or repeated over a period of months, or either
- Whether there will be a maximum amount per grant/organisation
- That applications be approved by an appropriate committee or by delegated decision
- That organisations applying should be charitable, voluntary or not-for-profit, with a formal constitution or steering group and a bank account with at least two signatories
- That the purpose of the grant requested be for the benefit of “some or all residents”

End.

Appendices:

Third Party Funding and Use of Assets Protocol April 2021