

Briefing Note

Review of Grants & Donations Policy May 2019

1.0 Background

1.1 In November 2018, parish councillors asked the Clerk to undertake a review of the way that its Grants & Donations policy was working. This included a survey with groups who had received a grant or donation since May 2015 when the new scheme was launched.

1.2 This report examines the awarding of grants after that date, includes the result of that survey among applicants and sets out a range of options for councillors to consider. Options are included in the final section.

1.3 The Parish Council has the power to make grants and donations¹ that will bring direct benefit to the area, or any part of it or all of some of its inhabitants. It is also a requirement that the benefit obtained should be commensurate with the expenditure incurred.² For these reasons, councillors may apply terms and conditions to any award they make, and applicants must comply with them.

2.0 Evidence

2.1 The Clerk conducted an online survey with 18 recipients of grants and donations. The survey was open from 1 January 2019 until 31 January 2019. 14 responses were received. This means that 78% of recipients have engaged in the consultation. The survey was made anonymous so that frank responses would be encouraged. The survey report is published separately to this Briefing Note.

2.2 A shorter online survey was also conducted with a selection of other parish councils similar in size to Menheniot. The reason for this was to examine their processes and procedures for examples of similar or better practice. This report is attached in Appendix 1.

3.0 Funding Sources

3.1 The grants and donations scheme has managed the outflow of community funds that were given to the council by developers as part of their S106 obligations. The current Community Grants budget is currently £1,797, the equivalent of 2 months of awards at the current annual rate.

3.2 The parish council retains other funding as reserves:

Item	£ amount
Community Grants	£1,797
S106 Ringfenced (to maintain precept)	£19,200
Cornwall Council Call Account	£60,327
Total	£81,324

If councillors wish to continue with the grants scheme, they may consider using funds from the ex-precept reserve, that is £62,124.

4.0 Options

4.1 Continue with a grants & donations scheme or not.

¹ Localism Act 2011 ss1-8

² The Local Government and Housing Act 1989

Although 86% of applicants have regular plans to raise money outside of the parish council's scheme, 64% are unsure if their projects would go ahead without council funding.

If the council agrees to maintain a grants scheme, it may consider these options:

4.2 Maintain and open-ended budget (as at present) or set a budget for a fixed period of time (for example, an annual sum).

Menheniot Parish Council is one of two councils who have an open-ended budget for Grants. Two councils have a fixed annual budget. (See Appendix 1)

If the budget is open-ended, how much should be allocated to it?

You have up to £62,124 to work from.

If the budget is fixed, how much and for how long would this be?

The grants are currently paid from reserves and are not subject to restrictions on the precept. You have the freedom to allocate your budget without an annual deadline.

4.3 Should there be any change to the terms and conditions? This may be in two forms: to change the range and extent of current funding and/or to introduce limitations on what might be awarded.

The majority of people responding to the survey are unsure if there should be restrictions or exclusions for applicants (for example, some groups should be prevented from applying or that certain projects should not be funded). However, a clear majority are in favour of there being a cash or percentage limit (for example, there might be a cap on the amount that might be awarded or you might expect a percentage to be raised by the applicant. This could include match-funding)

4.4 Examine what applicants need from the scheme.

Councillors may wish to consider changing the frequency of awards: many small voluntary groups do not make 12 month plans and the council cycle of grant decision-making may be unhelpful to them. With so many groups being dependent on the council for funding, councillors may wish to consider capacity building measures to enable volunteering groups to become more sustainable in their finances.

5.0 Risks

5.1 The level of funding provided by this parish council appears to be higher than that awarded by other comparable parishes. This may discourage volunteering groups from seeking alternative sources of funds.

5.2 Limiting the opportunities for funding that has always been available may cause problems to cash-flow for applicants.

5.3 New groups may be disadvantaged when setting up if they cannot have access to funding that other groups have previously had.

5.4 Maintaining an open-ended budget for Community Grants may foster a culture of dependency because there is no need to compete for funds with other causes.

5.5 Making awards available through the year may make it more difficult to make comparisons between the benefits that one applicant makes compared to another. Restricting decision making to twice a year means that it can be simpler to compare applications side by side.

5.6 Small groups requiring small sums of money (larger than a donation but less than the average of £2267) may be discouraged from applying because they see the system as too complex (almost one quarter of the survey did not find the application process clear or the guidance notes straightforward). All applicants for Community Grants (essentially any

request for more than £100) have to complete the same application form. Do councillors need to same level of detail from every applicant irrespective of the amount they ask for?

6.0 Conclusions

6.1 Councillors need to be satisfied that the survey responses are credible and valid.

6.2 Councillors need to consider maintaining the current system, changing it or discontinuing it. Their attention is drawn to the Risks in Section 5.

6.3 Whatever their final decision, councillors may wish to consider giving sufficient advance notice to voluntary groups so that they may have opportunity to adapt to the changes and seek alternative arrangements.

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Appendix 1

Quick online survey of comparable parish councils who have a precept at or within 10% of Menheniot Parish Council.

The Survey

- 9 parish councils invited to take part in the survey
- 4 responses received
- Annual precept ranged from £20,000 (Menheniot) to £22,500 (Landewednack)

Grants Budget

- 2 councils set an annual budget (£50 and £4,000)
- 1 council had an open-ended budget (Menheniot)
- 1 council responded to individual appeals as presented

Value of Awards

- 1 council had no limit (Menheniot)
- 1 council had a maximum of £250
- 1 council had a maximum of £50
- 1 council had a maximum of £20

Frequency of Awards

- 1 council awards twice a year (Menheniot)
- 1 council decides every month
- 2 councils have no fixed time

Who Decides?

- 4 councils say their decisions are made by full council