

**SOUTHERN RURAL COMMITTEE  
8 JANUARY 2020**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: COMMUNITY GRANTS POLICY REVIEW**

REPORT OF: POLICY AND COMMUNITY ENGAGEMENT MANAGER

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR COMMUNITY ENGAGEMENT

COUNCIL PRIORITY: ATTRACTIVE AND THRIVING / PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

**1. EXECUTIVE SUMMARY**

- 1.1. This report outlines the proposed review of the Community Grants policy and criteria. It outlines a timetable regarding further consultation, with Councillors sitting on each of the five Area Committees; Overview and Scrutiny, Cabinet and Full Council with the view that any changes and updates will be in place for the new policy to commence at the start of the forthcoming financial year 2020/21.

**2. RECOMMENDATIONS**

- 2.1. That the Committee be recommended to comment on the proposed review of the Community Grants policy and criteria and approve the outline consultation process with the Area Committees and Overview and Scrutiny.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 The awarding of grant funding awards to organisations, charities and voluntary groups, and the use of grant budgets devolved to Area Committees allows the Authority to further its aims and overarching Priorities of the Council and District.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 There are no alternative options being proposed other than those detailed within the text of this report. However in the course of debate at Committee, Councillors may wish to offer additional comments in relation to the contents of the document to be discussed which is outlined in Appendix 1.

## **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 Consultation has taken place with relevant officers in Legal, Finance, Policy and Community Engagement.
- 5.2 Consultation has taken place with Policy & Community Engagement team, the Executive Members and Deputy Executive Members for Community Engagement and Finance.

## **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 15<sup>th</sup> November 2019.

## **7. BACKGROUND**

- 7.1. The grant policy was last reviewed in late 2015 and the current grant policy agreed by Cabinet in June 2016. Over the last three years Area Committee budgets have been decreasing by 20% each year and the general funding climate has been becoming more challenging for all. Officers are recommending that there is a need to simplify the criteria in order to make the process of applying for and assessing community grants more streamlined and accessible for a wide range of organisations.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. Officers have researched the funding criteria used by other local authorities in the county and those of a similar size to North Hertfordshire District. We looked at the way Hertfordshire County Council assess their Locality Budget Grants and other authorities such as East Herts and Braintree who have a similar Community Grant scheme to NHDC.

The new policy has been drafted using the elements from these grant criteria that best fitted with the NHDC Area Committee system. The new criteria were then discussed with the Executive members and the following are a summary of the new criteria (*as outlined in Appendix 1 Draft Community Grant Policy*)

### **8.2 Changes to eligibility criteria**

- 8.2.1 The policy outlines a more inclusive approach to the types of organisations that can apply for Community Grants. In addition to the those organisations that have charitable status, voluntary sector groups, community groups Community Interest Companies (CIC) and Community Interest Organisations (CIO) we would also accept applications from Schools / Academies, Business Improvement District groups (Town Centre Partnerships), Parish and Town Councils. In terms of the Schools and organisations that set a precept the funding would have to be for a project or activity that is beyond their usual remit and for the benefit of the wider community.
- 8.2.2 The new policy does not make reference to the organisation having to find 30% of the funds towards any project / activity from other sources. Although projects that show partnership working and/or joint funding will strengthen their application.

8.2.3 The 2016 Policy states that applicants are ineligible for funding if they have had any other funding from NHDC within 2 years. This will no longer apply under the new policy however; officers will promote the grant scheme to encourage applications from organisations who have not applied in the past.

8.2.4 The 2016 criteria were also very prescriptive in regard to the organisations' financial position which necessitated detailed examination of the organisation's accounts. In some cases organisations were ineligible as they had more than 6 months running costs held in their reserves. For larger organisations especially those operating a building or who have staff it would be prudent to have at least 12 months running costs held in reserve. The proposed criteria states that officers should check that the organisation is financially stable. Officers will continue to use documents such as organisations' accounts and/or bank statements in order to assess their financial viability.

### 8.3 Grant Assessments

8.3.1 All applications for grant funding will be carefully assessed to ensure that funding is allocated to projects or activities and areas that will have the most beneficial impact on the residents of North Hertfordshire.

8.3.2 Any funding provided should be utilised within 12 months of receipt of the funds and if for any reason it hasn't been used the organisation should report back to the Committee and if necessary return the funds.

8.3.3 Priority will be given to projects that fulfil an identified need in the local community and provide good value for money.

8.3.4 Officers will also be looking for evidence of partnership working and efforts to seek joint funding.

### 8.4 Monitoring

8.4.1 Grant monies awarded must only be spent on activities as described in the application.

8.4.2 Officers will require details of how the grant was spent, and the provision of receipts, within one year of the decision.

8.4.3 Any unspent funds must be returned to the Council.

8.4.4 Details later proved to be incorrect may prejudice a subsequent application and could result in a requirement to repay any funding awarded.

## 8.5 Process

The grant process will not change substantially. Applicants will complete a similar application form which will be available via the NHDC website or on request. The contents of the application will be expressed in the Grant Report to the relevant Area Committee. Where required the applicants will provide a short presentation at the Committee meeting. The Committee will use its powers of delegation to decide to what level, if any, they wish to support the grant and whether they wish to place any conditions on the release of grant payments.

The policy does make mention of a central grant mechanism for applications that are District wide. It has been proposed to change to the remit of the Capital Grant Panel to include District wide applications and in this instance the same policy and criteria will apply as outlined in Appendix 1.

## 9. **LEGAL IMPLICATIONS**

- 9.1 Section 9.1 of the constitution states that 'Area Committees must operate within Council policy and decisions must be consistent with the Budget and Policy framework and service specific policies.'

In order to promote close working with our communities there are five Area Committees which cover different geographical areas of the district. The Area Committees are given substantial powers and responsibilities, within the parameters of the policies set by the Council and Cabinet and as set out in the terms of reference, including the ability to consider and report to Cabinet and Council on any matter affecting their area. Area Committees must operate within Council policy and decisions must be consistent with the Budget and Policy framework and service specific policies.

- 9.2 Section 9.3 sets the delegations as the following – 'The Council and Cabinet will include details of the delegations to Area Committees. The delegations to Area Committees will include budgets for the purpose of providing grants and discretionary budgets that may be used within the area of the Committee for economic, social and environmental well-being.

Section 9.8 sets the Terms of Reference for the Area Committees as:

9.8.1 Policy - exercise of decisions by resolution - (in relation to the budgets)

- (a) To allocate discretionary budgets within the terms determined by the Council.
- (b) To allocate devolved budgets and activities within the terms determined by the Council.

- 9.3 The current delegations are as follows:

### **Delegated powers**

The provision of revenue<sup>1</sup> grant aid/financial support where the grant aid/financial support is to facilitate an event which will take place prior to the next meeting of the Area Committee.

### **Delegated Members and Officers**

The Service Director: Legal and Community in consultation with the Chairman or Vice Chairman of the relevant Area Committee.

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<sup>1</sup> This does not include Capital Grants recommended through the Capital Grant Panel

- 9.3.1 Following proposed changes under the Constitution Review 2019/20 the Delegated Authority for both revenue and capital grants will be transferred to the appropriate Executive Member in consultation with the officer responsible for assessment of the grant application.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. Cabinet considered the first draft of the budget for 2020/21 at their meeting in December. At that meeting they approved two proposals relating to community grants. Firstly, that the allocation for Area Committees should be retained at the 2019/20 level of £42k per year on an ongoing basis. Secondly, the creation of a one-off District-wide pot of £10k in 2020/21.
- 10.2. Previously Parish, Town and Community Councils and Business Improvement Districts were excluded from applying for Community Grants. This was partly due to the fact that they were able to raise their own funds through precepts and levies. For Parish, Town and Community Councils there are currently no limits on the extent to which they can increase their precept each year. The District Council is limited as to how much it can raise Council Tax by without the requirement for a local referendum. For 2020/21 it is expected that this increase will be 2% or £5 (band D equivalent). This therefore could provide Parish, Town and Community Councils with much greater scope to undertake discretionary activities than would be available to the District Council.
- 10.3 There are no specific capital implications. Community groups that operate community venues may be eligible to apply for capital grants via the Community Facilities Capital Projects Fund.

## **11. RISK IMPLICATIONS**

- 11.1. There are no relevant risk entries that have been recorded on Pentana Risk, the Council's performance and risk system. Individual events should have their own risk assessments in place to mitigate any health and safety issues. Whenever a request for grant funding for equipment is received, the recipient of the funding will be advised to obtain insurance for the item to avoid a repeat request for funding in the event of the equipment being stolen or damaged. There are no pertinent risk implications for the Authority associated with any items within this report.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. For organisations to be compliant with both the current and new grant criteria they must demonstrate an open-door membership policy, and provide services that are accessible to all. This does not preclude single-gender organisations from applying as long as they can demonstrate that they comply with the Equality Act 2010.

### **13. SOCIAL VALUE IMPLICATIONS**

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

### **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There should be no implication financially on staff time. As the process will be more straightforward given the streamlining of the assessment criteria it could take up less staff time than the current policy.

### **15. APPENDICES**

- 15.1 Appendix 1. - Draft Grant Policy Review

### **16. CONTACT OFFICERS**

Author: Claire Morgan, Community Engagement Team Leader  
Email: [claire.morgan@north-herts.gov.uk](mailto:claire.morgan@north-herts.gov.uk) ext. 4226

Contributors: Reuben Ayavoo, Policy & Community Engagement Manager  
Email: [reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk)

Yvette Roberts, Legal Officer  
Email: [Yvette.roberts@north-herts.gov.uk](mailto:Yvette.roberts@north-herts.gov.uk)

Ian Couper, Service Director – Resources  
Email: [Ian.Couper@north-herts.gov.uk](mailto:Ian.Couper@north-herts.gov.uk)

Kerry Shorrocks, Corporate Human Resources Manager  
Email: [Kerry.shorrocks@north-herts.gov.uk](mailto:Kerry.shorrocks@north-herts.gov.uk)

Tim Everitt, Performance & Risk Officer  
Email: [tim.everitt@north-herts.gov.uk](mailto:tim.everitt@north-herts.gov.uk)

### **17. BACKGROUND PAPERS**

- 17.1. Review of Policies and Procedures for Financial Assistance to Voluntary and Community Organisations, November 2002.
- 17.2. Review of Grant Policy Cabinet June 2016.