



POLICY: Financial Support, Grants & Awards As Adopted 12th May 2016

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Legal Basis for Expenditure

The Parish Council has numerous powers to incur expenditure on specific activities of which Burial Grounds, Bus Shelters, Closed Churchyards, Crime Prevention, Litter, Neighbourhood Planning, Open Spaces, Recreation, Traffic Calming and War Memorials are relevant examples.

Additionally, Section 137 of the Local Government Act 1972 [as subsequently amended¹] enables the Parish Council to incur a limited amount of expenditure for purposes which are not provided for under any other section of this or any other relevant enactment.

Where any such other power exists then that specific power must be used; conversely s137 cannot be used for any expenditure which is otherwise expressly prohibited.

Any expenditure under s137 must pass two tests, in which the Parish Council must:

1. Satisfy itself that the expenditure will directly benefit the area or part of the area and/or all or some of the inhabitants (but not an individual);
2. Ensure that the resulting benefit is demonstrably proportionate to the amount of expenditure.

Note 1 - Grants to Citizens' Advice Bureaux and like bodies are provided for under subsection 2A of s38 of Local Government & Housing Act 1989 which amended s142 of Local Government Act 1972.

Note 2 - An alternative power may be the General Power of Competence under the Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012/965 - provided that the Parish Council is deemed eligible to use it.

Limits to Expenditure

Any expenditure under s137 is 'capped' in proportion to the number of registered electors within the Parish from time to time multiplied by the 'per capita' allowance authorised by government for each financial year commencing 1st April.

The appropriate sum per registered elector for the relevant financial year is given in the Appendix.

As the Register of Electors is now continuously updated it is appropriate for the Proper Officer [or Responsible Financial Officer] to consult with Electoral Services at Mid Suffolk District Council from time to time to ascertain the number of registered electors in the Parish in order to ensure that any s137 expenditure remains within the authorised limit.

The number of registered electors at the commencement of the financial year is given in the Appendix.

Any expenditure is to be contained within the Parish Council's annual budget including allocated reserves but cannot be in addition to it.

Accounting and Audit

Any s137 expenditure must be formally approved by a resolution of the Parish Council, recorded as such in the minutes of the meeting and accounted for separately from other authorised expenditure.

The amount of expenditure and the basis for approving it are open to challenge by the Auditor and by a local government elector objecting during the audit when the accounts are available for inspection.

¹ Local Government & Housing Act 1989; Local Government & Public Involvement in Health Act 2007; section 137A (added by 1989 Act)

Basis for Awards

Grants will normally be in one of three bands:

A - Up to £100

B - £100 to £1000

C - [In exceptional circumstances] over £1000 but not exceeding the equivalent of 50% of the s137 limit.

The Parish Council will apply the following criteria when assessing applications, with increasing importance given to supporting evidence in proportion to the amount of award sought:

1. The applying organisation or group ('the applicant') will normally be wholly or substantially supported by grants and donations and have a reliance on voluntary effort to function;
2. Applications from an individual or for the benefit of an individual will be rejected;
3. Applications from a closed membership organisation (other than simply by age and/or gender) will not normally be considered as being unable to demonstrably benefit the inhabitants at large;
4. The applicant shall complete the application form and offer such information as will assist the Parish Council substantiate the area and/or inhabitants who are expected to benefit;
5. Where the applicant delivers emergency assistance then the potential benefit of having that assistance available to inhabitants will normally be presumed to be sufficient;
6. Applications should be accompanied where relevant by any estimates or quotations showing the total work or materials or associated costs, and the total amount of finance whether from income, donations, grants or reliefs available from other sources.

Where the sum applied for falls within Band C the following criteria will also apply:

7. Where the application is for a service then evidence will be required that the providers are or will be suitably trained and qualified and that appropriate insurances and indemnities are in effect;
8. Where the application is for equipment then evidence will be required that the recommended servicing and routine maintenance procedures will be implemented and have been costed for future years, as will any training required for proper operation and use of the equipment.

Budget Setting and Timing of Application

The Parish Council will usually commence its budgetary process at the October meeting and set the Precept at the January meeting.

Accordingly where sufficient advance information is available the potential applicant should ensure that the Parish Council is made aware of a possible application and its amount in order for a decision to be made and funds provisionally allocated for the following year.

For those organisations who are deemed to qualify for ongoing support (recurring awards) then any request should be submitted by October. Failure to follow this advice may result in disappointment.

Recurring Awards

In order to ensure the continuing viability of certain organisations [see Appendix] the Parish Council will undertake to make grants year-on-year. Historically these have been approved at the December meeting.

However in order to ensure confidence that there is a continuing benefit to the inhabitants of Palgrave then each organisation shall submit a return annually stating the proportion of the service or goods relating directly to Palgrave. For example:

Borderhoppa should state the total number of trips provided across its area and the number of trips (a) originating in, and (b) [where possible] the number of trips ending in Palgrave parish;

Diss Citizen's Advice Bureau should state the total number of clients/cases and just those residing in Palgrave.

The most appropriate form of return will be individually agreed.

Decision to be Final

The decision of the Parish Council will normally be made in public and the applicant should ensure attendance if possible. Subject to any proper challenge by the auditor or local government objector at the appropriate time the decision of the Parish Council will be final as duly recorded in the minutes of the meeting.

The Parish Council may set such conditions as it considers appropriate to safeguard public funds, including but not limited to payment in stages or in arrears, payment directly to the provider, and so on. Evidence by way of the asset or invoices or certificates may be required as confirmation.

Further Guidance

Charles Arnold Baker's 'Local Council Administration'
'The good councillors' guide', 2016 edition, p57 onwards - 20. List of legal powers and duties
NALC Legal Topic Note 31, revised April 2014 - s137 of the Local Government Act 1972
Financial Regulations and Standing Orders

APPENDIX

Section 137 Limits

The Department for Communities and Local Government has confirmed that the appropriate sum for parish councils for the purposes of section 137(4) (a) of the Local Government Act 1972 ("1972 Act") is as follows:

For 2014-15 = £7.20

For 2015-16 = £7.36

For 2016-17 = £7.42 (calculated by increasing the amount for 2015-2016 (£7.36) by 0.8% - the percentage increase in the retail index between September 2014 and September 2015, in accordance with Schedule 12B to the 1972 Act.)

As of April 2016 the number of registered electors was **xxx**.

Organisations Receiving Recurring Awards

Borderhoppa, Diss Citizens' Advice Bureau, Diss First Responders, East Anglian Air Ambulance.