

When considering the matter of grants and donations, the Oswestry Rural Parish Council must be mindful of two things.

1. Any funding applied either as a grant or donation, in response to a request, is NOT 'Council' money, it is PUBLIC money, obtained through taxation of local residents, who should be able to expect that their representatives will be sensitive to need, but also to be sure of the benefit to the public – not just to an applying organization, and, that there will be commensurate value for the money expended.
2. ALL funding expended by the Council, for whatever purpose, must be in accordance with legislation; that is, that every item on the accounts must clearly relate to a power provided to the Parish Council to spend. The Council does not have discretion to spend at will. The public have the right to inspect the annual accounts and can challenge any expenditure they consider to have been made unlawfully, without proper reason, or in violation of policy and council regulations/standing orders.

As part of the budget process each year, the Council sets aside a portion of the sum raised through the Precept to be able to make contributions via grants and donations. This is a finite and defined sum of money to cover an unknown level of requests for assistance.

To enable the process to be managed in a way which is consistent, the Council will set a policy for grants, which it has done. The current policy calls for all grant applications to be made on the application form, and supply background details specified by the policy. (See Attached Grants Policy).

The current policy specifies grant applications to be received by the end of January in each year with decisions being made in March, presumably to allocate funding from the next financial year (April 5<sup>th</sup>).

- The advantage of this is that all grant applications can be assessed at one and the same time, and a fair distribution of the available funding can be made, should the total requested, exceed that allowed for in the budget.
- The disadvantage is that there is only one chance in each year for applications to be made and considered. Any need which arises after the budget has been dispersed cannot (or should not) be considered. Equally if the budget is not expended in March each year, by the strict terms of the policy, any residual amount cannot (in theory) be spent since this would be against both policy AND the Council's Financial Regulations [5.8] which mandates that expenditure be both within the limits set AND in accordance with any approved policy statement.

If the Council is minded to revisit the policy before the next review date, then certain issues need to be carefully considered.

**Is the current policy of only one annual round of applications still sensible?**

**If the Council wishes to move to a system which allows for applications to be received throughout the year should this be:-**

A. A rolling programme with applications being considered at any Monthly meeting.

*NB – option A would not in my view be satisfactory as it could add to the workload of the Clerk, and were applications to be a monthly matter, managing the limited budget against what might be successive requests would become complex.*

B. A quarterly or six-monthly timescale for applications (e.g. March and September).

If the Council moves from an annual grant cycle, what regulatory system could be used to ensure that the budget is not expended so as to allow all applications to be considered?

*Example Scenario: Council budget for grants is £3,000. Two applications received in round one of two totalling £2,000 (granted) leaving a residual amount of £1,000. Three applications received for round two of two, one for £500, one for £400 and one for £300, totalling £1,200, £200 in excess of the sum remaining.*

It is possible that this might be resolved by not fully funding applications, but permitting further applications from the same organization in the same year.

However, the Council may also wish to consider whether an organization which has received funding in one year should be prohibited from applying for a period of one year following, to try to ensure that dependency on Council funding is not created.

A further element might be to place a ceiling on grant applications of say £500, which would rule out requests for significantly large sums, and possibly encourage applications from more organizations across the Rural Parish area.

A further aspect for consideration is that the current policy specifies that:-

*Applications are considered and awarded in accordance with.... how well the grant will meet the needs of the community.*

This also requires some thought as it raises the question of how the needs of the community can be assessed against any application, and whether the 'strategic plan' needs a through review to be able to address more comprehensively what the needs of the whole community – and the sub-sets of the whole community are, and how the grants budget can be aligned with those needs.

## **Conclusion**

It is for the Council as a body to determine how public money shall be spent, but while the Council is not a business it must be seen to be acting in a business-like way, consistent with fairness and transparency. Councillors must have both heart AND head and apply both to discipline any natural reactions to sympathy for a cause or purpose to permit a balanced judgment.

This mandates a policy to provide a framework within which decisions may be taken which pay due regard to consistency and fairness, both in the consideration of applications and the overall distribution of the funding allocated in the budget for the purpose.