



Ashchurch Rural Parish Council Grants and Donations Policy

Last reviewed on 20 May 2024

Next review due in May 2025 or sooner if required

Introduction

Ashchurch Rural Parish Council (ARPC) provides grants and donations to organisations whose services are allocated primarily for the benefit of Ashchurch Rural Parish residents. Each request will be judged on its own merits.

Local councils in England and Wales can rely upon general powers to act and spend money, including the provision of funds (grants) to other organisations or bodies, unless they are restricted from doing so.

The powers are as follows:

1. S.137 of the Local Government Act 1972
2. The General Power of Competence (England, if eligible)

S.137 cannot be used by a local council in England that is eligible to exercise the General Power of Competence except to donate money to certain charities and appeals (section 137(3)).

Overview of the Powers

The General Power of Competence (GPC) - S.1(1) of the Localism Act 2011 (the 2011 Act) provides that a local authority has power to do anything that individuals generally may do. "Local authority" is defined in s.8 of the 2011 Act and includes an eligible parish council.

Ashchurch Rural Parish Council is an eligible council to exercise the GPC. In considering how the Parish Council grants public funds to other organisations and bodies, the relationship between S.137 and the GPC is important and has been used to guide the Council's grants policy and procedures exercised under the GPC.

Purpose of Grants Provided by Ashchurch Rural Parish Council

The guiding principle and the basic power for the Council to provide either direct grant funding or grant-aid in kind, is that there must be a direct benefit to the civic parish of Ashchurch Rural Parish or part thereof, or all or some of its inhabitants. The Council is the body to determine whether such benefit will accrue, and a decision by the Council can only be challenged on the ground that it was wholly unreasonable.

The use of "some" in relation to the inhabitants means that the Council cannot use the power to benefit a single individual. However, it may be possible for the Council to help an organisation that supports individuals, for example a youth organisation wishing to fund participation in a national or international event.

The Council must also ensure that the direct benefit accruing to its area or residents is commensurate with the expenditure incurred. This means that a council should not spend a disproportionately large amount on something which has no or very little direct benefit.

The Council can only provide funds to a public or voluntary body for expenditure on publicity when it is incidental to the main purpose for which the Council is giving financial assistance.

Section 137(3) of the Local Government Act 1972 states that contributions may be made to charities and bodies providing a public service on a non-profit making basis, but only in furtherance of their work in the UK. It is unlawful for a council to contribute to a charity or a public service body operating overseas, or to a fund established to help persons outside the UK.

Contributions to UK charities and bodies providing a public service do not have to bring any direct benefit to the council's area or to its inhabitants.

Authorisation of Expenditure

As Councillors are collectively expressing an opinion as to the commensurate local benefit, grants provided by Ashchurch Rural Parish Council must be properly authorised by resolution.

The Policy

- 1 All applications must be submitted in writing.
- 2 Requests for grants and donations are only applicable to the financial year in which the request is made and a new request needs to be submitted each financial year. The Parish financial year runs from 1 April to 30 March.
- 3 The Parish Council considers requests as an agenda item at a full Parish Council meeting.
- 4 It will help the request if the applicant indicates the level and number of Parish residents that the organisation benefits.
- 5 Requests may be considered more favourably if the donation is to be used to purchase a specific item or service which would not be provided if the donation was not given.
- 6 The Parish Council's decision is final.

Condition of Grant

- If an organisation is awarded a grant, it will be expected that the grant monies will only be used for the purposes applied for and that any unused grant will be returned to the Parish Council
- Where a council provides financial assistance, it will require the body or charity to furnish a written statement of how the money has been spent, within 12 months after the assistance has been given