



## **Donnington and Muxton Parish Council**

### **Grant Awarding Policy**

#### **1. Introduction**

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Grants awarded by local councils to organisations are usually made using the Local Government Act 1972 s137 which gives the "Power of local authorities to incur expenditure for certain purposes not otherwise authorised". However, it is limited in a number of ways in that it is subject to a financial limit, cannot be used to benefit an individual and must be "in the interests of or will directly benefit the area or its inhabitants, or of part of it, or some of it" and "the direct benefit should be commensurate with expenditure".

The Localism Act 2011 introduced the General Power of Competence which can be used by local councils that meet certain criteria. This power permits a council to do anything an individual can do unless specifically prohibited by the general power or by other legislation.

#### **2. Scope and Nature of the General Power of Competence**

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The General Power of Competence (GPC) was introduced by the Localism Act 2011 and took effect in February 2012. In simple terms, it gives councils the power to do anything an individual can do provided it is not prohibited by other legislation. It applies to all principal councils (district, county and unitary councils etc). It also applies to eligible parish and town councils. It replaces the wellbeing powers in England that were provided under the Local Government Act 2000.

To become eligible to use the power a council must pass a resolution at a meeting of full council which confirms:

- it has a qualified Clerk
- a minimum of two-thirds of vacancies were filled at the last ordinary elections and
- it has resolved at a meeting of the council and each subsequent relevant annual meeting that it meets these conditions.

Donnington and Muxton Parish Council first confirmed its eligibility to use this power at its full council meeting in June 2015 and each subsequent Annual Council Meeting following this. As a result it cannot incur expenditure under s137 except under s137(3) where it can contribute to the funds of charities in furtherance of their work in the United Kingdom, not for profit bodies operating in the UK and public appeals for funds in connection with particular events affecting UK residents only where the appeal is made by the Lord Mayor of London or the Chairman of a principal council or by a committee of which such a person is a member.

In summary, the GPC enables councils to do things:

- an individual may generally do
- anywhere in the UK or elsewhere
- for a commercial purpose or otherwise, for a charge or without a charge
- without the need to demonstrate that it will benefit the authority, its area or persons resident or present in its area (although in practice councils will want to realise such benefits).

However, there are some limitations on the General Power, either because they are not things which an individual can do or because they are excluded by the Act. The GPC will not:

- provide councils with new powers to raise tax or precepts or to borrow
- enable councils to set charges for mandatory services, impose fines or create offences or byelaws, over and above existing powers to do so
- override existing legislation in place before the Localism act 2011, so-called 'pre-commencement limitations' (however powers enacted after commencement of the GPC will only limit the GPC if this explicitly stated in the legislation).

As part of the Government's wider localism agenda, the GPC is intended not only to increase local authority powers but to give greater confidence in the scope of those powers and to signal that how those powers are used is a matter for local authorities.

### 3. The Policy and its objectives

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When considering grant applications Donnington and Muxton Parish Council will:

- Be clear about what it wants to achieve – and that this is aligned with the priorities of the council and local community.
- Develop and support an environment which promotes an innovative and entrepreneurial approach.
- Recognise the potential of the GPC as a lever to tackle excessive caution or fixed ways of doing things.
- Check for any pre- and post-commencement limitations (and consider modifying the approach where necessary).
- Where used as a basis for charging, ensure that charges are not being made for a statutory service, that the recipient agrees to receive the discretionary service and charges are on a cost recovery basis.
- Consider implications of different company structures and state aid provisions as appropriate.
- consider contributions to charities and bodies providing a public service on a non-profit making basis, but only in furtherance of their work in the United Kingdom. Contributions to UK charities and bodies providing a public service do not have to bring any direct benefit to the council's area or inhabitants.
- invite applicants to the council meeting at which their application will be discussed. This is to ensure Councillors are clear on what the organisation does.
- only consider awarding grants to the same organisation/applicant every two years.
- only consider awarding grants to organisations that have provided the council with a recent Bank Statement **and** a Balance sheet or Income and Expenditure sheet.

### 4. Review of Policy

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Donnington and Muxton Parish Council will ensure that through its annual review of the policy it meets the conditions for eligibility as set out in the Statutory Instrument, Parish Councils (General Power of Competence) Prescribed Order 2012. Should the parish council become ineligible to use the GPC it will retain the power to incur expenditure under s137 and the statutory requirements this involves.



# Donnington and Muxton Parish Council

Turreff Hall, Turreff Avenue, Donnington, Telford, TF2 8HG

Email: clerk@donningtonmuxtonpc.org

Website: www.donningtonmuxtonpc.org

Telephone: 01952 608001

## Grant Application Form

NB. Before completing the application please read the notes on page 2.

Completed forms should be returned to:

**The Parish Clerk, Turreff Hall, Turreff Avenue, Donnington, Telford, Shropshire, TF2 8HG**

1	Name of the organisation making the application:	
2	Name Cheque should be made payable to:	
3	Name and Address of Contact:	
4	Telephone Number:	
5	Objectives of the Organisation:	
6	Grant requested: £	Previous grant, if any: £
	a) Is the request for full or part funding of the project?	<b>Full/Part*</b> <i>*Delete where applicable</i>
	b) If part funding, how will the balance be provided?	

7	Details of intended use of grant:
8	Is there any further information you wish to be considered with this application?

**Notes to the applicant** (the numbers match those of the questions asked)

1. Please state the full name of your organisation as well as the name by which it is generally recognised if these are different.
3. This should be someone who has a full working knowledge of the application details, and who would be available to attend a Parish Council meeting if required.
5. This should state the basic functions of the organisation as far as the parish is concerned.
6. The Parish Council sets an annual budget from which to award grants. Therefore, grants are not likely to exceed £300 and will only exceed £500 in very exceptional circumstances. Each application will be judged on its own merits.
7. Please give a full description of the purpose of your project. You should be prepared to supply a breakdown of the budget for your project.

**NB. Please include a Balance Sheet or Income and Expenditure Sheet for your organisation and the latest Bank Statement or your application will NOT be considered.**

**The Council has determined that groups/organisations will only be eligible for a grant once every two years.**

**Applicants Signature:** .....

**Print Name:** .....

**For Office Use Only**

Cheque Number:	Date Cheque Sent:
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