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# **NORTHCHURCH PARISH COUNCIL**

## **GRANTS AND DONATIONS POLICY**

Version	V22.0
Date approved by Finance & General Purposes Committee	03-05-2022
Date approved by Full Council	16-05-2022

## 1. Principles and Rules

The Finance and General Purposes Committee (F&GP) will consider applications for grants (for a specific project) and donations (for general purposes) and make recommendations to the Full Council for a vote. The F&GP will use the checklists below in an honest, objective, fair and transparent way to assess whether the application supports our mission and benefits people who live in the parish. Checklists 1 and 2 are based on legal requirements and are mandatory. Checklist 3 contains desirable (rather than legally required) features.

## 2. Sources of Funding

- 2.1. CIL funds\* from developers (previously S106 contracts)
- 2.2. The “Precept” –the local council tax requirement from local electors;
- 2.3. The sale of land or other assets;
- 2.4. Renting services such as our football pitch and allotments.

\*NPC powers to donate CIL funds differ from the other three sources

“A parish council has no power to hold revenue reserves other than for reasonable working capital (typically between 3- and 12-month’s expenditure) or for “specifically earmarked purposes” where money is allocated for a specific purpose but may not be spent in that financial year. This may include donations to purchase or renovate a building, develop a sports facility or community centre etc.”

The Good Councillor’s Guide to Finance and Transparency 2017

## 3. Powers to Donate

### 3.1 Community Infrastructure Levy (CIL)

CIL 2010 replaced individually negotiated agreements with developers under Section 106 of the Town and Country Planning Act 1990. It allows local planning authorities, in our case Dacorum Borough Council (DBC), to raise funds from a developer (based on the amount of new floor space created by the development). Although principal authorities can only spend CIL on infrastructure projects, local councils, such as NPC, can spend their CIL funds on anything to address the demands that particular development places on an area.

### 3.2 General Power of Competence

When donating money other than s106 or CIL, such as the precept or the sale of land, NPC is eligible to use its “General Power of Competence” (GPC) under the Localism Act 2011.

NPC can use the GPC because it meets the 3 required conditions:

- NPC passed a resolution to adopt the GPC at a full council meeting.
- NPC employs a ‘qualified’ clerk who has passed a specified sector qualification; and

- NPC has two thirds of councillors elected or have stood for election, even if unopposed (but not co-opted or appointed).  
The GPC gives NPC the power to do anything an individual can do, provided it is not prohibited by other legislation. In simple terms, provided that it is lawful, NPC can donate money without restrictions.

### 3.3 Local Government Act, Section 137

If at any stage, NPC no longer qualifies for the GPC, we would rely either on a specific power or the power under s.137 of the Local Government Act 1972 which limits the amount a parish council can donate and restricts the purposes.

## Appendix 1: Checklists

<b>NPC Application for Donation: Checklist 1</b>				
<b>1</b>	<b>Legal restrictions on councils. The project is not:</b>		Yes	No
1.1	For an individual, commercial, religious or political organisation			
1.2	The prime responsibility of another statutory authority			
1.3	For the benefit of privately-owned land or property			
1.4	Already complete (by the time the grant is made)			

<b>NPC Application for Donation: Checklist 2</b>				
<b>2</b>	<b>This group is ethically and financially sound:</b>		Yes	No
2.1	Is established for charitable, benevolent, social, cultural, recreational or philanthropic purposes			
2.2	Has a constitution, or set of rules, which defines its aims, objectives and operational procedures			
2.3	Can provide its latest annual accounts or bank; statement which are checked and signed by an independent person			
2.4	Has a bank account operated by at least two joint signatories?			
2.5	Uses funding solely for the purpose agreed with the parish council			
2.6	Will provide receipted invoices on completion of the project			
2.7	Agrees to give a progress report at the Annual May Parish Meeting			
2.8	Submits a completed application form to our Clerk, at the email above, with supporting documents showing:		Yes	No
	2.8.1	The applicant's accounts for the last financial year;		
	2.8.2	The applicant's organisation and meeting structure;		
	2.8.3	Proposed project details including a breakdown of costings;		
	2.8.4	Details of funding sought or secured from other sources:		
	2.8.5	That local people support the project and are involved in carrying it out.		

<b>NPC Application for Donation: Checklist 3</b>		Yes	No
<b>3</b>	<b>This project supports our aims:</b>		
3.1	To help local people to improve their physical health and mental wellbeing		
3.2	To make our roads safer		
3.3	To protect and improve access to the Green Belt and other open spaces		
3.4	To preserve the environment and increase biodiversity		
3.5	To preserve the historic identity of Northchurch		
3.6	To be open and accessible and to engage local people in decision making		