

Policy

Award of Major Grants

1. Purpose

- 1.1 To provide guidelines for the awarding of grants to organisations that provide services and opportunities for the community of Lyme Regis.

2. Introduction

- 2.1 Historically, the town council has aimed to set aside approximately £100,000 each year to support local organisations, subject to budgetary constraints. The majority of this funding, typically 80%, will be awarded to organisations whose functions and services are critical to the town and its well-being. This policy deals with the award of grants to these organisations.
- 2.2 In 2016/17, the proposed budget allocation for grants will increase by £20,000.
- 2.3 This policy deals with the awarding of grants of over £5,000. A separate policy deals with minor grants below £1,000, and medium grants between £1,000 and £4,999.

3. Selection Criteria

- 3.1 The town council does not have specific criteria that organisations have to meet to be eligible for a grant; the benefits an organisation can bring to the town, its residents and visitors differ widely.
- 3.2 In addition, rigid qualification criteria often disadvantage smaller community-based organisations and promote applications from those well versed in seeking external funding.
- 3.3 However, any organisation applying for a significant grant from the town council must clearly demonstrate in their application:
 - 3.3.1 What the main activities of the organisation are
 - 3.3.2 What the funding is for and what their objectives are
 - 3.3.3 The length of time funding is required for
 - 3.3.4 How the funding will benefit the town, its residents and/or visitors
 - 3.3.5 How these objectives and benefits will be measured
 - 3.3.6 A business plan that includes a clear understanding of their operating environment, risk assessment and mitigation, and details of projected income and expenditure
 - 3.3.7 Bank references
 - 3.3.8 Audit accounts for the previous year
 - 3.3.9 Registration documentation

- 3.3.10 Provide details of other grant applications and/or fund raising activities in relation to this project. The council will look favourably on organisations that show evidence of self-help, either by fundraising or obtaining funds from other sources.
- 3.3.11 Demonstrate how they will inform others that they have received funding from the council. Recognition of the council's sponsorship should be commensurate with the level of funding.

4. Restrictions

- 4.1 Awards of major grants will be subject to the following restrictions:
 - 4.1.1 Funding will only be given to organisations providing services to those based in Lyme Regis
 - 4.1.2 Funding will only be given to non-profit making organisations; not those who provide grants or donate monies in their own right, profit-making organisations, companies, or individuals.
 - 4.1.3 Funding will not normally exceed £30,000 per year
 - 4.1.4 Funding duration will not normally exceed three years. If a project seeks further funding after this time, a new application must be made
 - 4.1.5 Funding must be used for the purpose and objectives agreed.
- 4.2 Funding will not be used for retrospective expenditure, to pay off debts incurred, or costs that have already been funded elsewhere, i.e. no 'double funding'.
- 4.3 Any organisation in receipt of a major grant cannot apply for a minor or medium grant during the period of the major grant.

5. Monitoring and Review

- 5.1 Prior to any grant being issued, organisations must enter into a grant agreement with the town council. Each grant agreement will reflect the nature of the functions and services delivered by the recipient organisation.
- 5.2 The grant agreement will reflect the requirements of the organisation and the council, and must detail:
 - 5.1 The purpose of the grant and what will be achieved
 - 5.2 Contract duration
 - 5.3 The amount of grant, including the forecast distribution between capital and revenue expenditure
 - 5.4 Performance objectives along with the method and frequency of review
 - 5.5 Notice period
 - 5.6 How inflation will be treated for the period of the grant agreement

- 5.3 Performance against objectives will normally be reviewed each year by the council's Strategy and Policy Committee. This review will be undertaken in advance of the budget-setting cycle to allow any performance issues to be addressed through the budget-setting process. If an organisation's failure to meet its performance objectives is significant, the Strategy and Policy Committee can increase the frequency and nature of performance reporting.
- 5.4 Consistent failure to achieve performance objectives may result in the early termination of a grant agreement with an organisation, and may result in the organisation being asked to repay the grant money.
- 5.5 Any grant no longer needed must be offered back to the council.
- 5.6 Organisations will be informed they should not assume they will be awarded the grant in future years. When determining the potential continuation of any funding, consideration will be given to whether the organisation has met the objectives of the previous agreement.
- 5.7 The council will consider whether it requires representation from an elected member to sit as an observer on the management board of the organisation. The town clerk must be given the opportunity to attend as an observer and review the organisation's business planning accounts and performance data on behalf of the council.

Implementation date: 12 July 2017

Review date: July 2020

John Wright
Town clerk
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