

## GRIMLEY PARISH COUNCIL - WORCESTERSHIRE

### SECTION 137 & GRANT AWARDING POLICY

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#### 1. INTRODUCTION

This document sets out Grimley Parish Council's policy and procedure for grant and donation making. The Parish Council's aim is to ensure that all our award-making activity is:

- *open, transparent, fair, and supports local organisations*

Our awards are open to established voluntary or community groups, as well as new or informal groups of Parishioners who are or intend by the date of application to become formally constituted.

#### 2. PARISH COUNCIL POWERS, Discretionary Grants to third parties, Discretionary Grants to religious organisations and Discretionary Grants via SECTION 137

2.1. A Parish Council has a number of powers granted under various Acts of Parliament which enable it to spend money.

Most recently, parish councils were granted legal power to provide financial assistance to religious organisations. In particular: "**Parish Council Discretionary Grants for churches**"<sup>1</sup>, where a recent Levelling Up Bill as an amendment to the 1894 Act and other subsequent Acts, allows money to be spent on this matter at the discretion of Members of the Parish Council. E.g., the 1957 Act will now allow the Council to spend money on church clocks and churchyard maintenance.

*On 12/02/2024 WCALC issued via email the following clarification:*

"An amendment to the Levelling Up act gained Royal Ascent at the end of December. Where before the Council shouldn't have been giving money to the church for the upkeep and maintenance of Church property (apart from Closed Churchyards). The amendment gives Parishes the power to give money for church property upkeep, where there is another power to do so. Therefore, churchyard maintenance is allowable under LGA1972 s216 (4). Church clocks would be allowable under the Parish a council Act 1957. However, things such as repair of church roofs would not be permissible beyond section 137, unless you had the General Power of Competence. It is only a power. It is not a requirement to give the money. WCALC advises that Councils should treat the Church request as they should with any other grant request and should request the organisations accounts to see if public taxpayers' money is required."

2.2 If a Council lacks a particular power it may consider the use of the statutory power of **Section 137 of the Local Government Act 1972**, which permits it to spend up to a certain limit on anything which in the opinion of the Council is in the interests of the Parish, or any part of it, or is in the interest of all or some of its inhabitants.

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<sup>1</sup> WCALC have issued legal briefing L02-23 to take into account the Government's amendment to the Local Government Act 1894 in the form of a new section 19A (as inserted by section 82 of the Levelling Up and Regeneration Act 2023), which will come into force on 26 December (England only). NALC is recommending councils follow the Government's position, which will mean that councils are not prohibited from using powers, other than in the 1894 Act, for spending money on works to property relating to affairs of the church or held for an ecclesiastical charity. LTN 31E (local council general powers) has been reissued to remove references to the prohibitions that will not apply further to section 19A coming into force. And legal briefing L01-18 has been withdrawn

2.3. The S137 amount is limited to a figure per head of the electorate on the electoral role on 1st April before the commencement of the financial year. The figure is index-linked:

*Updated January 2026 - The Ministry of Housing, Communities and Local Government has informed us of an increase in the Section 137 expenditure limit for parish and town councils in England for the 2026/27 financial year. The new limit is £11.60 per elector, up from £11.10 in 2025/26. The increase reflects the percentage rise in the retail price index between September 2024 and September 2025, in accordance with Schedule 12B of the Local Government Act 1972. Section 137 of the Act allows parish and town councils to incur expenditures for purposes that benefit their communities when no specific statutory power is available.*

2.4. The Parish Council has no obligation to spend all or any of the money available under S.137. This money is not 'gifted' to the Parish Council; it forms part of the Precept which the Parish Council receives from Worcestershire County Council. The cost of any grants or donations is therefore reflected in residents' Council tax bills.

2.5 This equates to £6,032 (S137) in theory (520 electors), and whilst this forms part of the budget for Grimley Parish Council, the parish council has not the funds to allow regular expenditure of this amount on this topic. Applications therefore go through an assessment to establish the level of public good. Legal and topical guidance for local councils confirms that the FULL AMOUNT OF £6032 may or may not be awarded, at the discretion of Members. Certainly, under that guidance, applicants/organisations may apply for any amount up to but not beyond the threshold of £6032 AND the discretion of Members in making a decision on an application of up to that amount remains unaffected in relation to this.

**2.6 At a vote at full parish council on 29-01-24 as a reflection of recent high levels of expenditure on urgent parish planning matters, Members voted to restrict each individual application from all sources to a threshold maximum grant of £100 per annum.** All grants remain discretionary and subject to the criteria and vote as described below.

**AND to set a limit to the total number of individual applications per year to 5 (Nb £500 expenditure in total pa possible via this grant mechanism).**

Any application received where five other grants have already been previously approved in that same financial year, are to be returned to the application without debate by parish council.

### **3. WHO IS ELIGIBLE TO APPLY?**

To be eligible for the award of a discretionary grant of up to £500 per application per annum, under existing varied parish council powers, discretionary grants to religious organisations or Section 137 an organisation must:

- 3.1. be established for charitable, benevolent, social, cultural, recreational or philanthropic purposes
- 3.2. have a constitution, or set of rules, which define its aims, objectives and operational procedures
- 3.3. if the group or organisation is more longstanding, be able to provide a copy of its latest annual accounts including Balance Sheet showing cash at bank and reserves. Accounts are to be checked and signed by a person independent of the group. The parish council internal auditor has agreed to serve this function if no other is suggested by the applicant.
- 3.4. have a bank account operated by a minimum of at least two joint sig

#### **4. WHAT CAN BE FUNDED?**

- 4.1. the activity to be supported should be something that makes the local community a better place in which to live, work or visit
- 4.2. it should benefit people who live in the Parish.
- 4.3. applications do not have to be from groups that already exist.
- 4.4. each group may only make one application per financial year, but may resubmit an application in the same financial year, IF forming part of a decision objection or request for reconsideration. The parish council internal auditor has agreed to serve as an independent reviewer and mediator in the event that an applicant/organisation objects to a decision.
- 4.5. applications will be considered for day-to-day running costs and individual projects
- 4.6. applications from regional or national organisations will be considered only if a direct benefit to Grimley and its residents can be demonstrated.

#### **5. THE FOLLOWING ARE NOT ELIGIBLE**

- 5.1. support for individuals or commercial organisations.
- 5.2. projects that are the prime statutory responsibility of other government bodies. Land that is crossed by public footpaths/public rights of way MAY PREHAPS be considered in exceptional circumstances and with the involvement of the County Council as to the decision reached.
- 5.3. political parties.
- 5.4. projects that improve or benefit privately owned land or property.
- 5.5. projects that have already been completed or will have been by the time the grant is made. Projects that have started and stalled specifically from lack of funding/external grant not forthcoming, MAY PREHAPS be considered in exceptional circumstances and will require the second opinion of the District Councillor, as a person outside the process who make informed judgement on the reason for the stalling. The District Councillor has agreed to stand in this capacity.
- 5.6. applications from organisations whose prime activities are fund raising and the giving of grants to needy causes represent a duplication of the Council's function. i.e. Local groups where fund-raising is sent to a central HQ for redistribution.

#### **6. CONDITIONS AND CRITERIA OF SUPPORT**

Within the overall framework of its policies the Council will consider each application on its merits and will take into account, and require the following:

- 6.1. The Council may make the award of any grant subject to all or some of the following conditions. Required conditions will be at the discretion of the Council and take into account the organisation's individual circumstances.
- 6.2. The balances and reserves held by an organisation and the degree to which these might be in excess of a prudent provision will be taken into account.
- 6.3. In order to fully understand the project or activity the Parish Councillors may wish to visit the project or activity, prior to the project or activity commencing. They may also wish to conduct a site visit once a funded project is underway.
- 6.4. Grants will not be made to activities that discriminate on any grounds.
- 6.5. Ongoing commitments to award grants and subsidies in future years will not be made. A fresh application will be required each financial year.

6.6. Funding must only be used for the purpose agreed with the Parish Council and if the monies are not spent on the items agreed, they must be returned to Grimley Parish Council.

6.7. Funding must be spent within the financial year awarded and cannot be added wholly or partly to the organisations reserves. Any projects slipping over the end of the financial year will need to justify in writing why financial support should continue. The Council will make a decision based on this justification and any decision is final. If the decision is in the negative, any monies unspent must be returned to the parish council within thirty days.

6.8. If actual project costs are more than anticipated on the application, any shortfall must be met by the organisation; Grimley Parish Council will not be in a position to make up any shortfall.

6.9. The need to provide evidence of expenditure (receipted invoices) to the Clerk to the Council on completion of the project will be discretionary – based on the amount given and the purposes given. (If required, this evidence of expenditure should be equal to, or more than, the total of the amount of the grant detailed on your application.). This information will be passed to the Parish Council's internal auditor for inspection as part of the council's annual internal audit procedures.

6.10. The organisation must acknowledge Grimley Parish Council's support in all publications, publicity, and annual reports.

6.11 The organisation should show the funding awarded separately in the published financial accounts and Grimley Parish Council/the council's internal auditor should have access to your financial records, on request, where appropriate.

6.12. A representative of the organisation awarded a Grant should give a report at the Annual Parish Meeting (held on an evening between March and May each year) on how the money was spent and if appropriate how the project/activity went.

## **7. WHEN TO APPLY**

7.1. The Parish Council operates with a financial year ending 31st March. Organisations are eligible to apply at any time during the year.

NB Any grant awarded should be spent within the Grimley Parish Council's financial year in which the grant was awarded. Also see section 6.7 above.

7.2. All groups will be treated equally.

## **8. HOW WILL DECISIONS BE MADE?**

8.1 All bids will be judged at the next Council meeting following receipt of the application form together with all relevant supporting documentation. The decisions will be made by Grimley Parish Council and the Council's decision is final. Unfortunately, the Council will not be able to fund all projects as there may be more applications than there is money available, however all applications will be considered carefully. Due account will be taken of the extent to which funding has been sought or secured from other sources or own fundraising activities, including the level and purpose of Reserves held.

## **9. HOW TO APPLY**

9.1. The Clerk to the Council will receive all applications in the first instance and will collate all the necessary information ready for presentation and discussion at the next scheduled Council meeting.

9.2. Applications should be made in writing. No designated application form is currently available or required.

9.3. In addition to a covering statement of introduction and contact details, organisations will be required to provide the following supporting information:

- a copy of their written constitution or details of their aims and purpose, unless provided for a previous application
- full details of the project or activity,
- demonstration that the grant will be of benefit to the local community within the Parish,
- the proportion or number of beneficiaries living in the electoral area,
- demonstration of a clear need for the funding,
- a copy of the previous year's accounts (including Balance Sheet showing cash and reserves held) or, for new initiatives, a detailed budget, or business plan.

**10. GDPR** Organisations will be provided with a copy of the parish council's privacy notice if personal data is forwarded to the parish council. Applicants will be required to understand and accept that contact details will be stored by the Parish Council as per the document retention policy.

**11. Further notes:**

(VAT not a consideration, as the Parish Council is not registered for VAT).

(The parish council will not commission projects on behalf of others – this is a grants policy only. The parish council will not engage in projects that require commissioning and then claiming back VAT on behalf of third parties).

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