

CANNOCK CHASE DISTRICT COUNCIL
COUNCIL
22 AUGUST 2007
REPORT OF THE DEPUTY CHIEF EXECUTIVE
MEMBERS' GRANTS SCHEME

1. Purpose of Report

- 1.1 To propose the introduction of a scheme for the determination and payment of grants to voluntary bodies by Cabinet and Ward Members.

2. Recommendations

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| 2.1 | That the "Members' Grants Scheme" proposed in this report be adopted by the Council |
| 2.2 | That the Director of Governance is authorised, in consultation with the leaders of the three main political parties, to prepare and implement any protocol(s), policies and procedures required to ensure the effective operation of the Members' Grants Scheme. |

3. Key Issues

- 3.1 Historically, the Council has made all grants to outside bodies via a Committee. Council on 18 April, 2007 approved a report which proposed the introduction of a scheme whereby District-wide and major grants were to be awarded by the Cabinet, with more "local" grants awarded by individual members.
- 3.2 The County Council already run a scheme along the lines proposed for this Council. A summary of the County scheme is attached at Annex One. In order to provide clarity of approach for local organisations and to allow for collaboration between Councils, where appropriate, it is proposed that the County scheme be adopted by this Council, suitably amended to reflect Cannock Chase's corporate objectives and priorities, and deal with any other issue deemed appropriate to safeguard the Council, Members and officers ("Members' Grants Scheme").

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Section 1**1. Background**

- 1.1 Council on 18 April, 2007 approved a report which proposed the introduction of a scheme whereby District-wide and major grants were to be awarded by the Cabinet, with more "local" grants awarded by individual members.
- 1.2 There are a number of available options for the allocation of "local" grants, which are explained in the following report.

Section 2**2. Details of Matters to be Considered**

- 2.1 In the current year, a budget of £159,680 is available for grants. From this, the following recurring grants have been or will be paid as approved by Council

Citizen's Advice Bureau	£111,480
St. Giles' Hospice	£6,350
Cannock Chase CVS	£10,540
Total	£128,370

- 2.2 This leaves a total of £31,310 available for local and district wide grants in 2007-08, supplemented by an unspent balance of £2,370 carried forward from last year.
- 2.3 An analysis of the last three years shows the allocation of grants between wards and to district-wide organisations as follows:

Ward	2004-05 £	2005-06 £	2006-07 £
Brereton & Ravenhill	3550	1250	750
Cannock East	2200	1150	500
Cannock North	1000	2700	1850
Cannock South		250	2600
Cannock West	1350	1850	1900
Etching Hill and the Heath	1000		500
Hagley	1700		1250
Heath Hayes East & Wimblebury		650	450
Hednesford Green Heath			
Hednesford North	750	725	3150
Hednesford South	500	100	250
Norton Canes	1000	3000	1500
Western Springs	1400	1250	1100
TOTAL WARDS	14,450	12,925	15,800
District Wide	17,660	14,088.96	15,300

- 2.4 The above table shows that there is no particular year-on-year consistency in the allocation of grant funding. There is thus no obviously logical method of allocating funds between Wards.
- 2.5 It is, however, recommended that approved grant funding should be equally spent between Cabinet and Ward Members.
- 2.6 Options for distributing the 50% of grant funding for Ward Members are:
1. Divide the allocated grant funding equally between each ward, to provide an amount of £1,123 per Ward.
 2. Divide the allocated grant funding equally between wards based on population
 3. Divide the allocated grant funding equally based on average spending over the last three years.
 4. Divide the allocated grant funding equally between each of the Council's 41 Members, at the rate of £410 per member for 2007-08, leaving Members to decide whether they wished to deal with grants on an individual basis or a Ward basis.
- 2.7 Each of the above options is cost neutral. It would clearly be possible for Members to consider other options at additional or reduced cost. It is, however, recommended that a cost neutral approach is adopted for the current financial year, with any changes considered as part of the Council's "Delivering Change" process for 2008-09.
- 2.8 Mechanism
1. In order for the district-wide claims to be split from the ward/member grant decision there would need to be a mechanism, incorporated within the Members Grant Scheme, to both differentiate between the applications to be determined by Cabinet and those by Members and to enable Cabinet and Members to decide on the merits and payments to be made in relation to district-wide and other applications.
 2. Protocols would need to be in place so as to ensure all applications are considered fairly and equally using the same criteria by Members and Cabinet; and consideration is given to the validity of the application and of any Member interest.
 3. To this end it is recommended that, as part of the Members Grants Scheme, the Director of Governance (or any person duly authorised by him) vets all applications before they are sent for consideration by Members or Cabinet and that any protocols, guidance notes, forms and/or policies prepared (together with the implementation of safeguards) to give effect to the Members Grant Scheme are duly adhered to by Members.
 4. Assistance from officers within Finance and Legal & Democratic Services will still be available to Members, but it will fall to individual Members to raise issues rather than general advice being available at a meeting as it has been in the past.
 5. Applications for a district-wide grant will only be considered once a year and the cut-off date will be November, after which a report will be prepared for consideration by Cabinet in order to allocate the 50% district-wide allocation.

6. It should be a condition of grant that the recipient agrees to the Council being able to undertake reasonable publicity in respect of the awarding of the grant and the use to which it has been put.

Section 3

3. Contribution to CHASE

- 3.1 The proposed scheme would require Members to consider contributions to CHASE as part of determining the allocation of grants.

Section 4

4. Section 17 (Crime Prevention) Implications

- 4.1 There are no specific Section 17 implications arising directly from this report.

Section 5

5. Human Rights Act Implications

- 5.1 There are no specific Human Rights Act implications arising directly from this report.

Section 6

6. Data Protection Implications

- 6.1 There are no specific Data Protection implications arising from this report.

Section 7

7. Risk Management Implications

- 7.1 There is a reputational risk and a legal risk to the Council if the scheme is not set up and administered properly. Protocols will be prepared by the Director of Governance on the operation of the scheme which would seek to minimise these risks.

Section 8

8. Legal Implications

- 8.1 It is important that the consideration of applications under the proposed Members Grant Scheme is undertaken fairly and consistently. Accordingly, appropriate protocols, guidance notes and safeguards must be implemented and followed so as to avoid unnecessary complaints or challenges with regards the assessment and determination of applications received.

- 8.2 Local Government Act 1972, Section 137, limits the amount of grant aid to, in general terms, contributions towards:-

- (a) the funds of any charitable body in furtherance of its work in the United Kingdom: or

- (b) the funds of any body which provides any public service (whether to the public at large or to any section of it) in the United Kingdom otherwise than for the purposes of gain: or
 - (c) any fund which is raised in connection with a particular event directly affecting persons resident in the United Kingdom on behalf of whom a public appeal for contributions has been made by the Lord Mayor of London or the chairman of a principal Council or by a Committee of which the Lord Mayor of London or the chairman of a principal Council is a member.
- 8.3 Local Government Act 2000 ('the 2000 Act'), Section 2 has provided the Council with a new power (the well being powers) to do anything which it considers likely to achieve:-
- (a) the promotion or improvement of the economic well-being of their area,
 - (b) the promotion or improvement of the social well-being of their area, and
 - (c) the promotion or improvement of the environmental well-being of their area.
- 8.4 This power enables the Council to give financial assistance to any organisation or individual providing a benefit for the whole of any part of the Council's area provided the Council considers it is likely to achieve any of the Council's aims
- 8.5 The 2000 Act requires the Council to have regard to its Community Strategy when exercising the well-being powers in that the aims and objectives of any organisation or individual requesting assistance must be compatible with the Council's Community Strategy.

Section 9

9. Financial Implications

- 9.1 The report sets out 4 options for distribution of grant monies not separately identified by Council during the Budget process. Each of these identifies 50% of this funding being allocated to District-wide initiatives but does not outline the method to be used to compare one application against another which Cabinet will use. This matter will need to be addressed by the Director of Governance when drafting protocols for members.
- 9.2 Option one suggests splitting the non district-wide grant of £16,840 equally between the wards for the members to distribute as required. This has the disadvantage that larger wards are not recompensed as against smaller wards for the greater voluntary activity that size brings with it. Each ward would have approximately £1,123 p. a. to distribute.
- 9.3 Option two suggests splitting the total amount to wards based on population and Annex 4 shows the result of doing this.
- 9.4 Option three divides the grant to wards based on the average spend over the last three years (Annex 4).
- 9.5 Option four divides the available resource equally between councillors, such that each councillor would have £410 each. This could be agreed to be too low an amount to allow effective distribution.

- 9.6 In making a decision members must be aware that distributing the available resources is lawful, achieves CHASE objectives, provides value for money and avoids self interest

Section 10

10. Human Resource Implications

10. Due to the safeguards built into the report against potential Member bias, and the procedure to be produced by the Director of Governance to give further clarity to the process, there are no identifiable Human Resource implications.

ANNEX 1**Outline of Staffordshire County Council Local Members Initiative Scheme**

- 1.1 Staffordshire County Council has run the scheme since 2001. Under the current arrangements local Members are allocated £10,000 per annum. This fund can then be used by local Members to provide grants to support projects in their electoral divisions.
- 1.2 The scheme can be used to support a wide range of community projects. To secure grant aid an application must be made by November. The scheme is operated over a financial year.
- 1.3 A standard application form (see Annex 2) is used. General conditions are attached to the grant relating to such issues as equal opportunities, political activity and discrimination. The application form is submitted to the Local Member with a covering letter.
- 1.4 If the local Member decides to support the application, the Member then needs to complete a record sheet (see Annex 3). The purpose of the record sheet is to detail the amount of grant aid being sought and to demonstrate the proposed project contribution towards the SCC's Corporate and Service priorities. The application form and the record sheet are then submitted to the Joint Funding Unit (JFU) within the Chief Executive's Department.
- 1.5 The application is then checked against the eligibility criteria, the availability of match funding and fit with Corporate and Service priorities. Checks are also made to avoid other necessary permissions or licenses are in place. Once approved payment is made to the organisation.
- 1.6 During the financial year 2006/07 £610,000 was made available to local communities through the Local Members Initiative. Over 350 projects were supported with grants ranging from £100 to £9,478. A general summary of how this money was spent on projects is as follows:

• Community Safety	£76,483
• Older people and special needs	£22,497
• Environmental schemes	£19,008
• Highways	£5,551
• History and Culture	£24,038
• Repairs to Church	£31,143
• Social/Community Projects	£176,022
• Spent	£63,506
• Village/Community/Church Halls	£90,618
• Young Children & Families	£59,764
• Youth Organisations	£41,654

- 1.7 The majority of grants tend to relate to the purchase of equipment by community groups. Maintenance and repairs are also well supported. By way of example during April 2007 local Members supported 18 applications, of which 15 related either to equipment or buildings.

- 1.8 The Local Members Initiative thus provides a way in which Local Members can provide genuine support for local community projects within a policy framework designed to meet the authorities corporate and service priorities.