

Appendix 1 - Lewes District Council Community Grants Policy

Introduction

The Council recognises and highly values the significant contributions that the community and voluntary sector play in delivering services to our residents. Partnership working is a key priority for Lewes District, and the Council is committed to working with voluntary and community organisations through the giving of community grants. This helps support a thriving voluntary sector in Lewes District. In addition, the giving of funding to such groups can also provide a cost effective way of delivering the Council's objectives.

Legal Framework

Section 137 of the Local Government Act 1972 applies to expenditure incurred or contributions made to charitable organisations or to not-for-profit organisations providing a public service. It states that a local authority may incur expenditure which in their opinion is *'in the interests of, and will bring direct benefit to, their area or any part of it or all or some of its inhabitants'*.

Section 1(4)(c) of the Localism Act 2011 permits a local authority to do anything that individuals generally may do, in any way whatever, including power to do it for, or otherwise than for, *'the benefit of the authority, its area or persons resident or present in its area.'*

Policy

- 1) The Council's policy is to offer grant funding to a small number of organisations which provide essential services to our residents, particularly those experiencing hardship or disadvantage, or which play a key role providing infrastructure services to enable and support a thriving community and voluntary sector in the District.
- 2) The Council only offers grants to organisations which are well embedded in the Lewes District and are able to deliver services which build on strong links with local communities.
- 3) Organisations funded must be fully inclusive, and in a position to deliver services across the whole geographical area.
- 4) Grants will only be given to organisations which have a need for grant funding; which have sound governance arrangements and financial management; which can demonstrate good value for money and a significant use of volunteers in the delivery of their services; and which have clear policies on safeguarding where appropriate and on equality and inclusion covering service users, volunteers and staff and encompassing, as a minimum, all those groups protected under the Equality Act 2010.
- 5) Given current constraints on all Council budgets, the Council will not make any allowance for inflation.

State Aid

1) Background:

- a) Article 107(1) of the Treaty on the Functioning of the European Union provides that:

"Save as otherwise provided in this Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the common market"

- b) Grants awarded from public funds may constitute 'state aid' and, where the grant is to be used to support 'economic activity', are subject to rules under (1) EU Regulation 1407/2013 governing De Minimis aid and (2) EU Regulation 800/2008 – The General Block Exemption Regulation (GBER).
- c) Unless the de minimis rule or GBER applies, it is likely that state aid will be unlawful until it has been notified and, in the case where European Commission approval is required, approved - even if the aid is in fact compatible.

2) Mitigation:

- a) Prior to making any grant payment, the council will carry out a simple assessment to check whether it is:
- state aid and;
 - if so, whether it is exempt from prior notification under the de minimis provisions or a block exemption. If not, the grant may require notification to the European Commission.
- b) Council officers will, in consultation with Legal Services where appropriate, complete the State Aid Checklist (based on the 4 characteristics of State aid) below and will require recipients to sign the De Minimis Declaration (also below) confirming that the grant will not breach the relevant de minimis threshold.

Data Protection

- 1) The making of community grants may involve the transfer, receipt or sharing of personal data to, from or between the Council and the grantee. Where this occurs, the parties will consider entering into a data sharing agreement setting out the nature and scope of any personal data processing, and how both parties will ensure that processing is carried out in accordance with the General Data Protection Regulation (EU 2016/679) and the Data Protection Act 2018.
- 2) Any such data sharing agreement may be incorporated within the grant funding agreement or prepared as a discrete document, as appropriate.
- 3) Data sharing agreements must be prepared in consultation with the Council's Information Governance Manager or Data Protection Officer.

Policy agreed at XXX

State Aid Checklist

The four characteristics of State aid:

- 1) State aid is granted through state resources.
- 2) State aid favours certain undertakings, or the production of certain goods.
- 3) State aid distorts competition (or threatens to do so).
- 4) State aid affects trade between member states

State Aid – De Minimis Declaration

Please refer to the State Aid Guidance issued with your application pack (available on-line at [State aid - GOV.UK](http://Stateaid-GOV.UK)).

I declare that the grant offered by the Council will comply with the law on State Aid on the basis that, including this grant, *(name of organisation)* shall not receive more than €200,000 in total of de minimis aid within the current financial year or the two previous financial years.

SignedDate
(to be signed by an authorised officer)

Position in organisation.....

Company/Organisation *(full Legal Name)*.....