

Corporate Policy Committee

Date of Meeting:	6 th October 2022
Report Title:	Approval of Corporate Grants Policy 2022 – 2025
Report of:	Helen Charlesworth-May, Executive Director of Adults, Health and Integration
Report Reference No:	CP/46/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1.** This report is seeking approval of a revised Corporate Grants Policy (Appendix 1) for the operation of grants schemes in Cheshire East Council for 2022 – 2025.
- 1.2.** There are many different service areas across Cheshire East Council that currently offer grant schemes or may wish to introduce a grant scheme in the future. The Corporate Grants Policy sets out how grants offered by these service areas should be aligned to meet the strategic aims and objectives in the Council's Corporate Plan.
- 1.3.** The Corporate Grants Policy also takes into consideration grant schemes that need to be set up at speed or have been created due to urgent or emerging situations. It also considers where the Council becomes the grant recipient and wishes to set up a scheme to further distribute funding to other partners/organisations for goods and services.

2. Executive Summary

- 2.1** The Council's Constitution, Chapter 3, Part 6, Paragraph 6.26 Page 81 states that Corporate Policy Committee will on a periodic basis, agree a policy setting down the approach to be taken to the allocation of grants, donations and other contributions to outside bodies.

- 2.2 The Corporate Grants Policy has been reviewed and updated and takes into account recent changes to the Council's Constitution and the implementation of the Committee system.
- 2.3 The current Corporate Grants Policy has been in place since 2018. This document is now being updated as part of the incremental review connected with the governance changes and the policy has changed in response to changes in Council aims and to the corporate plan.

3. Recommendations

That the Committee

- 3.1 Approves the updated Corporate Grants Policy 2022 to 2025.
- 3.2 Notes that each individual grant scheme implemented by the Council will have its own process put in place which aligns to the Corporate Grants Policy.
- 3.3 Delegate authority to Corporate Leadership Team/ Executive Director of Adults, Health and Integration to amend the policy as necessary and in the event of contemplated changes to the subsidy control regime detailed in section 9.1.4.

4. Reasons for Recommendations

- 4.1 The Council's Constitution references a Policy setting down the approach to be taken to the allocation of grants, donations and other contributions to outside bodies. The previous Policy was implemented in 2018 and has been reviewed against the Corporate Plan and encompasses changes in the constitution and implementation of the committee system.
- 4.2 Aligning individual grant schemes across the Council with the Corporate Grants Policy allows consistency across the organisation and also creates flexibility for grant schemes to be implemented at speed in response to varying priorities. For example: Covid-19 Community Response and Recovery Fund, Holiday Activity Fund, discretionary business grants and large-scale capital grants through regeneration programmes such as the Towns Fund or UK Shared Prosperity Fund.

5. Other Options Considered

- 5.1 Not to update the Corporate Grants Policy. This would mean that it would not align with changes in the Corporate Plan and to the Constitution and the Council's decision-making processes
- 5.2 Not having a policy in place. This could mean that Council's decision making on grants would risk becoming ad hoc and inconsistent, consequently leaving decisions open to challenge.

5.3

Option	Impact	Risk
Do nothing - Not to update the Corporate Grants Policy	Would not align with changes in the Corporate Plan and to the Constitution and the Council's decision-making processes	Decisions become open to challenge
Not having a policy in place	Council's decision making on grants would risk becoming ad hoc and inconsistent	Decisions become open to challenge

6. Background

- 6.1. The Corporate Grants Policy provides overarching corporate guidance to ensure consistency in application, scoring and monitoring of grants which currently varies widely across the Council. The current document has been in place since 2018 and can be viewed on [Centranet](#).

7. Consultation and Engagement

- 7.1. The Corporate Grants Policy is to be used as an internal tool to support officers and provides guidance around the implementation of new grant schemes.
- 7.2. Services consulted:

Procurement
Growth & Enterprise
Economic Development
Integrated Commissioning
Finance
Legal
Cultural Economy
Communities

8. Implications

8.1. Legal

- 8.1.1. The Council has the power to award grants to organisations using its general power of competence in section 1 of the Localism Act 2011. In exercising the power, the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural

requirements, acted for proper motives and not acted unreasonably. A grant policy is a clear statement of the criteria that the Council is applying as it operates individual grant schemes and is essential in demonstrating open and consistent decision making and reducing risk of challenge.

8.1.2. An overarching Corporate Grants Policy provides a consistent basis upon which grant schemes are created and reviewed regularly.

8.1.3. Following the UK exiting the EU, State Aid rules been replaced by “subsidy control” regulation. When awarding grants the Council is required to comply with subsidy control provisions that are set out in the Trade and Co-operation Agreement between the EU and the UK (“TCA”); World Trade Organisation rules and certain other international commitments (referred to as “Subsidy Control Materials”). This obligation kicks in whenever a “subsidy” (grant) is being awarded by the Council to any organisation.

8.1.4. Prior to any grant award an analysis will need to be made as follows:

- Determine whether the grant is a subsidy and what Subsidy Control Materials are relevant.
- Evaluate whether the grant is a prohibited subsidy.
- If in scope of the TCA, assess the grant against the principles (principles which aim to ensure that subsidies are not granted where they have, or could have, a material effect on investment or trade).
- Assess the likelihood of triggering a dispute under international obligations and agreements.
- Record the award of the grant as a subsidy.

8.1.6 Assuming that any proposed grant award is in scope of the TCA; the Council will need on each occasion that a grant award is being considered to evaluate and model the award based on the principles within the TCA. It is therefore important that Legal Services are engaged at an early stage whenever the award of a grant is being considered.

8.1.7 There are de minimis provisions, but application will depend upon whether in each other subsidies have been awarded to the organisation and if de minimus is relied on it opens the Council up to risk of mis-application or mis-reporting. First consideration should be given to the application of the principles to obviate the need to consider de minimis.

8.1.8 Subsidy control is currently in a state of transition. There is currently a new Subsidy Control Bill passing through Parliament, which when passed will form the backbone of the UK’s subsidy control regime. The subsidy control

aspects of the corporate policy and grants protocol will need to be reviewed and potentially adjusted after the new legislation comes in force.

8.2. Finance

- 8.2.1. The recommendation is to approve an update to the Grants Policy and therefore will not change the MTFS.
- 8.2.2. The policy has been developed in accordance with the Finance Procedural Rules within the constitution. Therefore, it promotes a legal & appropriately authorised use of resources which aims to achieves best value for the organisation.

8.3. Policy

- 8.3.1. The Corporate Grants Policy 2018 will be replaced with the updated Corporate Grants Policy 2022 – 2025.

8.4. Equality

- 8.4.1. An Equality Impact Assessment has not been completed

8.5. Human Resources

- 8.5.1. The corporate grants policy will be managed through existing resources within Communities/Commissioning.

8.6. Risk Management

- 8.6.1. Not updating the Corporate Grants Policy would mean that it would not align with changes in the Corporate Plan and to the Constitution and the Council's decision-making processes.
Not having a policy in place could mean that Council's decision making on grants would risk becoming ad hoc and inconsistent, consequently leaving decisions open to challenge.

8.7. Rural Communities

- 8.7.1. There are no negative implications on the rural community as all of the Council's grants schemes are open to anybody to apply, as long as they meet each specific schemes criterion.

8.8. Children and Young People/Cared for Children

- 8.8.1. In the event that grant funding becomes available for children, young people/Cared for Children focused outcomes, there could be a greater opportunity for organisations to meet the needs of children and young people.

8.9. Public Health

- 8.9.1. In the event that grant funding becomes available for public health focused outcomes, there could be a greater opportunity for organisations to enhance and develop health services across the borough.

8.10. Climate Change

- 8.10.1 In the event that grant funding becomes available for climate change focused outcomes, there could be a greater opportunity for organisations to enhance and develop carbon reduction services across the Borough.

Access to Information	
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Appendices:	Appendix 1 – Corporate Grants Policy 2022 – 2025
Background Papers:	NA