

Conditions of Grant Aid

PLEASE NOTE THAT THESE CONDITIONS ARE CURRENTLY BEING UPDATED

Revenue Grants of £2,000 or More

1. Introduction

- 1.1 We recognise and respect the independence and value of the voluntary sector. 'Independence' means freedom for you to choose your own area of work; and to carry out that work according to the aims and terms set out in your organisation's governing document.
- 1.2 We will take account of this in our dealings with you. We will try not to interfere in the way you organise your activities unless we need to.
- 1.3 If you accept a grant from us, this will involve you in certain responsibilities. We will expect you to; have good management and financial practices, promote equal opportunities and show that you can effectively deliver your service or carry out your activity.
- 1.4 Your grant aided activities should be based within the boundaries of the London Borough of Southwark and benefit the people who live or work there. You must also take positive steps to involve local people in managing your project.

2. Management and Organisation

- 2.1 Before we will pay you a grant, you must send us your governing document (such as constitution or memorandum and articles of association). This document must show that your organisation is:
 - a) independent;
 - b) open to its users being involved in decision making; and
 - c) has clear and democratic procedures for reporting and decision making.
- 2.2 You must tell your link officer about any changes to your governing document.
- 2.3 You must have a management committee and hold open elections to elect committee members. All your general meetings must be open to all members. You must give your link officer the names and addresses of all management committee members

- and you must name one contact person (we do recognise other forms of organisation, but this needs to be discussed and agreed with your link officer).
- 2.4 You must hold regular management committee meetings and you must tell your link officer about all such meetings. He or she must be given the chance to discuss matters relating to grant-aided activities.
 - 2.5 If asked, you must send all management committee agendas and minutes to your link officer. You do not need to send confidential client and staff information.
 - 2.6 We accept that difficulties and disputes within your organisation are the responsibility of your management committee. Because such problems may have an impact on grant aided activities you should tell your link officer, at an early stage.
 - 2.7 You must carry out your business in a way that avoids 'conflict of interest'. This means that management committee members and staff must not use their position or influence within the organisation to gain advantage for themselves or others.
 - 2.8 An individual cannot be a member of a management committee and a paid employee of the organisation.
 - 2.9 Paid employees may go to management committee meetings if management committee members agree, but they cannot vote.
 - 2.10 Any management committee member who has a financial interest in a contract for goods and services must declare that he or she has an interest in the decision. They must not vote on awarding those contracts.

3. Equal Opportunities and Anti-Racism

- 3.1 You must have a written equal opportunities policy and code of practice and demonstrate that you are actively opposed to all forms of discrimination. You must be able to show us that:
 - a) you have taken positive and practical steps to make sure that people from all communities are made welcome and are able to use your services;
 - b) you have taken positive steps to welcome people from all communities on to your management committee who support the aims of your organisation;
 - c) your employment practices are fair and you will not discriminate in relation to pay and conditions of employment, recruitment, promotion and career opportunities; and
 - d) you are monitoring your success in putting your equal opportunities policy into practice.

4. Employment Practices

- 4.1 You must observe all current employment legislation, including European Directives affecting the employment of staff.

- 4.2 You must give all your workers:
- a) a contract of employment;
 - b) a job description;
 - c) your organisation's equal opportunities statement and code of practice; and
 - d) your organisation's disciplinary and grievance procedure.
- 4.3 When you want to employ anyone in a post which we have funded, you must keep to the following procedures.
- a) You must draw up the appropriate job description and specification.
 - b) You must advertise the vacancy and refer to the fact that you *operate* an equal opportunities policy.
 - c) You must hold open and competitive interviews.
- 4.4 You do not need to follow the procedure shown above if the vacancy is for a period of four months or less. However, the person who gets the job must meet the requirements of the job specification. You must also tell your Link Officer that you have not followed the full recruitment process. If you extend this person's employment beyond four months, you must agree it with your Link Officer.
- 4.5 You must notify the Link Officer immediately of any vacancies in posts funded by the Council. Where the Council makes a request, you must involve your link officer, in an advisory role, in all stages of the recruitment process.
- 4.6 If a Management Committee member intends to apply for a post, he or she must immediately resign from the committee and take no part in any stage of the recruitment process. This includes the drafting of the job description and person specification (we would expect there to be at least a three-month gap).

5. Financial Procedures

- 5.1 If possible you should use the same financial year as we do (1 April to 31 March).
- 5.2 You must have a bank account in the name of your organisation. At least two management committee members must sign for this account. One of these members must be the treasurer. All cheques must be signed by at least one management committee member. In very rare circumstances you can use other arrangements if these have been agreed with your link officer.
- 5.3 You must show us that you have proper financial accounting systems and practices, including proper arrangements for paying taxes and National Insurance.

5.4 *Organisations receiving a grant of £10,000 or more a year*

- a) You must provide accounts every year for all income and spending. These must be independently examined by a fully qualified accountant or audited by a registered auditor and must conform to the statement of recommended practice (SORP) and either the Charities Act 1993 or the Companies Act 1985 as appropriate.

Your accounts must include specific information on how you have used the grant.

5.5 *Organisations receiving a grant of less than £10,000 a year*

- a) Instead of accounts, you can give us a clear written statement of financial transactions relating to how you spent the grant.
- b) An independent person must inspect the accounts or clear written statement of financial transactions. However, this person does not need to be a fully qualified accountant.

5.6 You must send your accounts or financial statement to us by 31 October of the following financial year. If you do not use the same financial year as us, you must send us them by no later than six months from the end of your financial year. Usually, we will hold back the final instalment of your grant until we have received all your accounts.

5.7 You must send a half-yearly budget statement by 31 October, giving details of actual spending for the first half of the financial year and a budget projection for the second half of the financial year.

We need this information to meet our obligations under Section 137A of the Local Government Act 1972.

5.8 You must have enough insurance to cover all risks - theft, fire, employer's and public liability and third party damages. We cannot be held liable for any losses. You must prove to us that you have enough insurance cover.

5.9 If we own your building and your grant includes a part to cover the rent, we may automatically take this payment from your grant allocation.

6. Politics

6.1 Your organisation must not support a political party.

6.2 You must not use your grant to pay for publicity that is for or against any political party.

7. Using your Grant

- 7.1 You must only use your grant for the agreed purposes. If you do not, or if you do not spend all of it, you must agree this with your link officer.
- 7.2 You must keep your link officer informed at all times about how you use your grant. In particular you must tell us:
- a) about any change in the circumstances of your organisation; and
 - b) about any significant change in the needs you have identified and which we used to decide on your grant.
- 7.3 We can ask you to repay us all or part of the grant if you do not use it for the purposes for which we gave it.
- 7.4 In the event of dissolution, any of the Organisation's assets purchased with Council grant aid will be returned to the Council unless the Council agrees otherwise in writing.

8. Providing Services or Activities

- 8.1 You must provide your link officer with a written report every year about the services or activities you support with our grant. This report should include:
- a) a description of your services or activities;
 - b) information about numbers and types of users;
 - c) information about the full costs of providing the service;
 - d) evidence of the benefits users gain from the service or activities;
 - e) information about problems you have come across in delivering your service; and
 - f) proposals for the future.
- 8.2 You must be able to show that you are meeting your aims effectively. You must also show us that you provide high quality and value for money for services.
- 8.3 You must give your link officer reasonable opportunities to observe your services or activities.

9. Other Sources of Funding

- 9.1 You must tell us about all other sources of funding for your project.

10. Acknowledging our Help

- 10.1 You must acknowledge our help in all literature (including annual reports), publicity, events and advertisements for posts that we have funded, unless you have agreed otherwise with your link officer.

11. Ending your Grant.

- 11.1 If we give you a grant, you must not assume that we will do the same in future years. Before the start of each financial year, we consider which voluntary organisations to fund and at what level.
- 11.2 Before we make any decision to reduce or stop your grant, we will give you the chance to give councillors any information you consider relevant.
- 11.3 If we withdraw or do not renew your grant, we will consider giving you winding-down costs.

12. Special Conditions

- 12.1 We may set more specific conditions for particular types of grants. We will discuss these with you.
- 12.2 In very rare circumstances, because of the nature of your organisation or its services we may change some of these conditions. We will write and tell you about any changes.

13. Procedure for Dealing with Us

- 13.1 Your main contact with us is your link officer. This officer is responsible for:
- a) discussing with you all matters relating to your grant; and
 - b) sorting out any problems to do with these conditions.
- 13.2 If you cannot sort out any dispute with your link officer, you may ask a senior officer in the appropriate Council department to step in.

14 Appeals against our Decisions

- 14.1 We do not have a specific appeals procedure. However, you will get the chance to make sure that your views are presented to the appropriate Cabinet Member. We will send you copies of draft reports prior to the decision being taken by the Cabinet Member. Your views will be made known to the Cabinet Member.
- 14.2 You may also want to request making a deputation to us. This means that as a group you may be given the chance to explain your views in person to the appropriate Cabinet Member. You must make a request to do this in writing to your Commissioning Officer. You will need to set out the grounds on which you want to be heard. The appropriate Cabinet Member will then consider whether or not to hear your deputation.

In addition, organisations can make written representations that can be made available to the appropriate Cabinet Member before he or she takes the relevant funding decision.

- 14.3 We do not always agree to hear deputations. So, in order to make sure that your views are fully represented to the Cabinet Member, please send us any information we ask for.

15. Accepting the Conditions

15.1 When we give you a grant we will tell you:

- a) which Cabinet Member authorised the grant;
- b) the date the decision was made;
- c) the purposes for which the funding has been awarded; and
- d) the amount of funding

You must confirm in writing that you accept the funding.

16. Further Help

- 16.1 If you have any questions which your link officer cannot help you with you should contact the Commissioning & Voluntary Sector Support Team:

Community Engagement Division
Commissioning & Voluntary Sector Support Team
P.O. Box 64529
London SE1 5LX
Phone: 020 7 525 7418 / 020 7525 1579