



# Community Chest Briefing Note 2012/13

February 2013

To: Head of Business Improvement and Partnerships, Mark Bailey  
Grant Assessment Panel  
CC: Partnerships Officer (Community Development), Robin Wiles

**Re: APC 1213 05, Internal Audit Review**

Following the request from the Grant Assessment Panel for an independent review of the grant decision process in relation to Audley Cricket Club's grant request, reference APC 1213 05, the Borough Council's Internal Audit department have undertaken this and the findings are documented below.

Internal Audit has made contact with relevant Borough Council Officers, as well as with the Clerk and Chair of Audley Parish Council.

In summary, the following is Internal Audit's understanding of the events that have passed in respect to APC 1213 05:

Audley Cricket Club applied to Audley Parish Council for a grant on 12 September 2012 (ref. APC 1213 05). Audley Parish Council, at its meeting held on 20 September 2012, recommended to the Borough Council that the application not be granted.

Minutes of the meeting of Audley Parish Council dated 20 September 2012 identify that the reason for the objection was that Audley Cricket Club are in the fortunate position of being able to employ a professional cricketer at a 'substantial cost' to the Club.

Following the review of this decision, the Borough Council officers' conclusion was that the Parish Council's recommendation is overturned, and the grant awarded. This decision was made on the basis that the reason for the Parish Council's original decision was unsound.

Audley Parish Council notified the Borough Council by e-mail on 28 October 2012 of their objection to the Borough Council's decision, which was followed up by a formal letter dated 24 November 2012 to the Chair of the Grants Assessment Panel.

The basis of the Parish Council's objection was that rather than inviting the Parish Council to offer a more detailed explanation of the refusal, Borough Council Officers overruled the decision without further consideration and furthermore did not notify the Parish Council of the decision to overrule.

Audley Parish Council's objection was referred to the Grants Assessment Panel meeting held on Tuesday 11 December 2012. The Panel decided that it would be appropriate to refer the matter to the Borough Council's Internal Audit department for investigation and an independent review.

### **Was Audley Parish Council's decision appropriate?**

The Parish Council's decision to recommend that the grant in respect of Audley Cricket Club should not be approved was based on the local knowledge of the Club, and the fact that they employ a professional cricketer for league games. In order to identify whether the Parish Council's decision was justifiable, a review of the application alongside the Community Chest guidelines was undertaken.

The Community Chest guidelines state, amongst other things, that:

- Groups receiving Community Chest grant awards will have to have an organisational bank or building society account with a minimum of two signatories. Applicants will also be required to provide a copy of their most recent statement of accounts for the "locally based body" to see;
- Community Chest cannot fund activities that are eligible and able to apply for a Sports Council grant (e.g. sports equipment or training), but can fund the running costs of sports clubs;
- Applicants can apply to more than one locally based body for projects that cover more than one area, although a total of grants exceeding £1,000 will only be supported in exceptional circumstances. Applicants cannot apply to all locally based bodies for borough-wide projects;
- Community Chest can fund both revenue (on going, such as rental and staff) and capital (one-off, such as equipment) expenditure; and
- Groups applying for Community Chest grant awards will have to demonstrate the support of or relevance for, people/communities who will be directly affected by the project, particularly local residents.

The review of the guidelines highlighted that at no point does the financial position of the applicant need to be considered. The only financial requirement of the Community Chest guidelines is to ensure that there is an organisational bank account with two non-related signatories and that the latest financial accounts are provided for the Parish Council to see.

In addition, the minutes of the meeting of Audley Parish Council indicate that the main reason for refusal of the grant was that the Cricket Club incurs a substantial cost in respect of having a professional cricketer as a player. The Parish Council is ultimately not responsible for, nor required to judge, how the Club manages their finances.

It is possible to 'understand' the thought process behind the Parish Council's decision to refuse the grant recommendation to the Borough Council, as they may feel that other less fortuitous Organisations may also need financial support through the Community Chest grant. However at no point does the Community Chest guidelines require this to be considered and instead as a default, applications are effectively to be considered upon their individual merit on a first come, first considered basis.

As such, from the outside, the decision by the Parish Council was inconsistent with the documented guidelines.

### **Was the decision by Borough Council Officers to overturn the Audley Parish Council's decision justified?**

As stated above, the Parish Council's decision, from an independent perspective, and solely based upon the requirements of the Community Chest guidelines, is considered to be incorrect. Therefore it is appropriate for the Borough Council Officers to consider this application again.

Based solely on the Community Chest guidelines, the Borough Council Officers were correct in overturning the recommendation and subsequently approving the grant application.

To further enhance the Borough Council Officers' decision, a review of past approved grants across the Borough were considered in order to ascertain if a precedent had previously been set for either the approval or rejection of similar capital items.

The review of past applications identified that there have been seventeen other instances, Borough-wide, of grant approvals by the Locally Based Bodies that are similar in nature to the application by Audley Cricket Club. In particular grant application CCC 1213 02 is another example of Cricket Club applying for equipment to run the club.

### **Did Borough Council Officers inform relevant parties as per the documented procedures?**

Following a review of the Community Chest Guidelines and the communication trail between the Borough Council and the Parish Council it is in our independent opinion that all procedures were followed correctly.

### **Are there any significant controls that have been omitted?**

Following the review of the Community Chest Guidelines there are no significant procedures that appear to be omitted. However there are in our opinion some points to note that should be considered.

Firstly, there is no documented process whereby a Locally Based Body can appeal the decision to overrule their initial decision. There is however a process for the applying Organisation to appeal if rejected, and this is documented and made available to the Organisation. Although we do not believe that an entirely new documented procedure should be produced for Locally Based Bodies to appeal a Borough Council decision to overrule their initial decision, it may be beneficial to incorporate a section within the Community Chest Guidelines which merely states that if the Borough Council Officers overrule the Parish Council decision, they will first meet to discuss the differing opinion. Ultimately however the final decision is to be made by the Borough Council.

Another point to note is that although the Community Chest Guidelines make reference to the requirement for the applying Organisation to provide evidence of both a bank account and their latest financial accounts, they do not then make reference to:

- Why these are required;
- Whether poor financial performance should be considered more or less favourably in order to support the community; and

- Whether the general financial position of the applicant should be considered relevant in the decision making process.

Following discussions with Borough Council Officers this last bullet point was indicated as being irrelevant, as the Community Chest grant is not means assessed, and is available to any Organisation, whatever their financial history. It may therefore be beneficial to make it clear within the guidelines that grant applications are not means tested, to ensure 100% transparency.

If there are any further queries raised or points of clarification required with regard to this briefing note, please do not hesitate to contact me.

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