

**TAVISTOCK TOWN COUNCIL  
GRANTS PANEL  
BRIEFING NOTE/DISCUSSION PAPER - TOWN COUNCIL GRANTS**

**ARRANGEMENTS FOR THE  
TREATMENT OF 'GRANT' APPLICATIONS FOR 'IN-KIND' SUPPORT**

**1. INTRODUCTION**

- 1.1 The Grants Panel will be aware that the Council has, alongside grants of monies to community organisations, over the years also granted benefits 'in kind' including, but not limited to:
  - i) Rent free or reduced rent premises (ie income foregone), but this may also include the Council meeting direct business rate, cleaning, maintenance/repairing obligations, service, utility or other costs on behalf of the grantee;
  - ii) Use or hire of facilities free or at reduced charges;
  - iii) Use or hire of services free or at reduced charge.
- 1.2 What these have in common is that typically there is a cost to the Council (and ratepayer) in some form, be it actual, potential or opportunity.
- 1.3 However, there is often not a mechanism for recording these – either the benefit that they afford to the beneficiary, or the cost to the Council.
- 1.4 In normal accounting practice one would (in particular for things subject to fees and charges - eg a grant of space or service provision at nil or reduced rate) deduct the charges foregone from the Community Grant budget head in order to reflect the benefit/value to the applicant, and the loss (whether actual or opportunity) to the Council.
- 1.5 In addition there is the broader question as to how the Council ensures that all grant applications, including those for 'in kind' support, are dealt with consistently. Put another way, do all applications require the same kind of supporting information, are they assessed in an equivalent way, at the same time, from the same budget (where applicable) etc to demonstrate fair application of public monies?

**2. PROSPECTIVE NEXT STEPS**

- 2.1 There is not necessarily a 'right or wrong' answer. However, there are some guiding principles the Council may wish to consider to achieve

the goals of consistency, fairness and equality of opportunity which could appropriately include:

a) That, all applications for grants or equivalent from the Council – direct or in kind, be subject as a minimum to completion of the standard Council grant application forms (more information being required if/as appropriate for higher value or more complex claims) - to provide a common basis for assessment and avert any potential for charges of preferential or selective treatment;

b) That, exceptional circumstances notwithstanding (which should be considered and, if agreed, recorded), all applications for financial support be considered at the same time in the Autumn grant giving round - to provide equality of opportunity for applicants;

c) That for the use of premises or services on a short-term basis and for which a fee or charge would normally apply (eg room bookings) the potential value of income foregone be debited from the community grants budget and attributed to the applicable income budget. This satisfies normal accounting practice – to provide financial transparency and recognise the real value of any award made;

\*Note this is only intended to apply to fees/charges (ie para's ii-iii above) – not leasehold cost benefits.

d) That for longer term benefits, (such as tenancies at reduced or nil rent) and in addition to a-b above, from the time the arrangement is entered into the Council:

- i) Maintain a record of costs actually incurred by it each year on behalf of the grantee (such as business rates, utility or service charges etc); and separately also:
- ii) Maintain a record of such estimated notional or opportunity costs associated with the operation of the proposal (eg for a premises let free of charge it could be the potential amount of rent foregone (as the Council presently does regarding the Museum), any additional landlord costs incurred through not having a fully repairing lease etc).

Reason – to ensure that the actual and notional benefit accruing to the organisation is understood, alongside the potential financial implications for the Council, thereby allowing for informed review if/as circumstances may change.

- e) Accordingly that the next 'grant window' and scheme operating arrangements be publicised prominently in each year – to provide certainty and advance notice to all prospective applicants.
- 2.2 These are not intended to be comprehensive arrangements. However, in principle, they have the potential to provide a basic framework that supports transparency and probity in the use of public resources and an associated consistency of approach.
- 2.3 The views of the Grants Panel, Budget & Policy Committee and Council on the adoption of such a co-ordinated approach to grants of this kind are invited.

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