

AGENDA 11, Enc viii) 2026/27 ANNUAL AND SMALL GRANTS

1. Background

The Annual and Small Grants Scheme was significantly revised for 2025/26 following a review by a Task and Finish Group. The revised scheme introduced a number of improvements including a £5,000 maximum award for Annual Grants, a formal scoring matrix, a 30% reserves policy, enhanced monitoring, and phased payments for grants of £2,500 and above, a delegated officer decision-making process for Small Grants, and a requirement that all applicants be based in Ashington.

Following the first full year of operation under the revised scheme, a Grants Working Group was convened to review how the scheme has operated in practice, consider any issues arising, and make recommendations to this Committee ahead of the launch of the 2026/27 round.

The Executive Officer wishes to draw the Committee's attention to the importance of this review process. The grants guidance was agreed by Council following careful consideration, and it is right and proper that its application is reviewed — both in terms of the guidance itself and in terms of individual cases and how the policy has been applied in practice. This protects officers, who must be able to demonstrate that decisions have been taken consistently and in accordance with agreed policy. It also protects the Council, by ensuring that grant decisions are transparent, defensible, and clearly supported by the framework Members have agreed. A clear and consistently applied policy reduces the risk of challenge and ensures that all applicants are treated fairly and on the same basis.

2. The Grants Working Group

The Grants Working Group met in April 2026. Councillors Caroline Ball, Louis Brown, Marjorie Chambers, Kerry Davison, Karl Green, Lynne Grimshaw, and John Tully supported by the Executive Officer and the Events and Engagement Officer considered a report prepared by the Executive Officer setting out proposed changes for 2026/27, issues arising during 2025/26, and a number of matters on which a policy steer was sought. The issues considered by the Group included:

- The late launch of the 2025/26 round and its knock-on effects
- Minor delays by some applicants in returning forms and documentation
- Varying degrees of acknowledging Council support by groups in their publicity
- A small number of projects delayed and not completed within the financial year
- A small number of projects where funding remains unspent due to delays
- A case where a funded project changed materially from its originally approved purpose
- The operation of the Small Grants Scheme
- A suggestion to remove the requirement for 12 months audited accounts for Small Grant applicants
- The £5,000 Annual Grant cap

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3. Recommendations of the Grants Working Group

The Group agreed the following recommendations for consideration by this Committee:

3.1 Continuation of the Scheme

The 2026/27 Annual and Small Grants Scheme should continue on the same basis as 2025/26, with the guidance, application forms, eligibility criteria, scoring matrix, reserves policy, phased payment structure, and Small Grants arrangements carried forward unchanged.

3.2 Earlier Launch and Revised Timetable

The 2026/27 round should launch in April 2026, with an application deadline at the end of May 2026 and grant payments made in June 2026. This represents a significantly earlier timetable than 2025/26 and gives funded organisations the full benefit of the financial year to deliver their projects. For grants of £2,500 and above, interim monitoring will be due in December 2026 — approximately six months after payment — with final evaluations submitted by the end of March 2027. This ensures the Council has received and reviewed all monitoring before the 2027/28 round opens and before any new application from the same organisation is considered.

3.3 Unspent, Delayed, or Redirected Grants

The Group agreed the officer-recommended position on eligibility where a previous grant is unspent, delayed, or the project has changed, as follows:

- The grant awarded will be ring-fenced for the purpose intended, albeit delivered later.
- Where a project overrun into the next financial year has been formally agreed with the Executive Officer, the organisation remains eligible to apply in the new round, subject to satisfactory progress being evidenced at the time of application.
- Where a project has been significantly delayed or materially changed without Officer knowledge or agreement, the organisation will not normally be eligible to apply until the position has been regularised.
- Where an organisation holds unspent grant funds from a previous year and applies for further funding, the application must declare this, and the panel will take it into account when scoring financial need and value for money.
- In addition, the Group agreed that where an organisation is applying for a new grant while funds from a previous award remain unspent or a previously funded project remains incomplete, this will be taken into consideration in the assessment of any new award, regardless of whether a formal overrun has been agreed.
- Failure to submit required monitoring documentation by the agreed deadline will result in ineligibility for the next round.

3.4 Project Variations

The Group agreed that where a funded project changes materially from its originally approved purpose, the organisation must notify the Executive Officer in writing. The Executive Officer is delegated authority to approve material changes where the revised project continues to deliver clear benefit to Ashington residents and remains consistent with the Council's funding priorities. Where a change is so fundamental that the project would not have been funded on

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its revised terms, the matter will be referred to this Committee for decision, which may include a requirement to repay all or part of the grant.

3.5 Second Instalment Payments

The Group confirmed that the requirement for satisfactory evidence of first-phase expenditure before the second instalment is released will be applied strictly, without exception.

3.6 Small Grants Scheme

The Group noted that the Small Grants Scheme has operated well. No changes are recommended. The suggestion to remove the requirement for 12 months audited or independently examined accounts was not put forward as a proposed alteration.

3.7 The £5,000 Annual Grant Cap

The Group discussed the £5,000 cap at length. No change to the cap is recommended.

The cap was introduced to ensure wider distribution of the available fund, prevent over-reliance on Council funding by individual organisations, and encourage applicants to diversify their funding base. These remain sound objectives.

Concerns about the cap were raised in the context of two specific organisations — Wansbeck Valley Foodbank and Northumberland Citizens Advice. The Executive Officer noted that where Councillors wish to revisit the level of support the Council provides to specific named organisations, the appropriate course is to bring a transparent proposal forward in relation to those organisations directly — for example, to award a grant, subsidy, or service level agreement outside of the competitive grants process — rather than to seek to adjust a policy that applies to all applicants in order to accommodate the circumstances of particular groups. What is being proposed informally is not consistent with the policy as it stands.

The Executive Officer offers this advice in the interests of transparency primarily. Where the Council wishes to support a particular organisation, that support should be visible, clearly reasoned, and properly agreed — not achieved by adjusting a policy framework which has been applied to other organisations, and which may not be immediately apparent to other applicants or to the public.

It is also worth noting that the grants policy itself — including the cap — has been debated and agreed by Council. Whilst no formal proposal to change the cap has previously been brought to the chamber, the matter has been raised repeatedly in debate in relation to these particular organisations. The Committee should note that when the cap was introduced, the Council gave assurance that hardship cases would be considered. To date, no organisation has made a case that demonstrates their continuation is genuinely dependent on receiving more than £5,000 from this Council.

Cllr John Tully and Cllr Louis Brown, who were the only members of the Group not in favour of the cap, acknowledged during the meeting that their concern related specifically to the two organisations named above. Following the Executive Officer's advice that a separate proposal to fund these organisations outside of the grants process is the correct and transparent way to consider support for specific organisations, they agreed to bring forward the proposal.

In respect of the new proposal that Cllr Tully and Brown have agreed to bring forward — to fund Wansbeck Valley Foodbank and Northumberland Citizens Advice outside of the grants

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process — the Committee should note that once that proposal has been properly considered and voted upon, the Council's Standing Orders provide that the decision cannot be reversed or reopened within six months. The Executive Officer highlights this so that Members approach the proposal with that in mind: a decision either way, once properly made, should be the end of the matter for that period. Bringing the same matter back repeatedly, without new material evidence or a substantive change in circumstances, is not consistent with that provision and risks undermining the integrity of the decision-making process.

4. Recommendations to the Finance and General Services Committee

The Committee is asked to:

1. Approve the continuation of the Annual and Small Grants Scheme for 2026/27 on the same basis as 2025/26, with guidance and application forms carried forward as agreed.
2. Approve the revised timetable: launch April 2026, application deadline end of May 2026, awards and payments June 2026, interim monitoring December 2026, final evaluations by end of March 2027.
3. Approve the policy position on unspent, delayed, or redirected grants as set out in paragraph 3.3, for inclusion in the revised guidance.
4. Approve the delegation to the Executive Officer to approve material project variations, with fundamental changes referred to this Committee, as set out in paragraph 3.4.
5. Confirm that second instalment payments will only be released on satisfactory evidence of first-phase expenditure.
6. Confirm that no change will be made to the requirement for 12 months audited or independently examined accounts for Small Grant applicants.
7. Confirm that no change will be made to the £5,000 Annual Grant cap.
8. Note that Councillors Tully and Brown have indicated they will bring forward a separate proposal in respect of Wansbeck Valley Foodbank and Northumberland Citizens Advice Bureau for consideration outside of the grants process.