

Local Network Fund (LNF) - General Grant Guidelines

What is the Local Network Fund?

The Local Network Fund (LNF) is a devolved allocation of funds to each of the Local Networks (LN), to support community led initiatives that meet local needs, impact on wider county priorities and encourage community participation in decision making. Its overall purpose is to support the improvement of social, economic and environmental wellbeing, whilst also supporting the effective operation of each LN.

Each LN is required to develop a Local Network Action Plan (LNAP) that identifies the key priorities to be addressed across their respective areas. These plans are then used to identify and develop projects that meet gaps in existing service provision or result in additionality to existing local services. The LNF is used to support the delivery of these plans.

How much does each LN receive?

Each LN receives £100,000. This is made up of £30,000 capital and £70,000 revenue funding. The £70,000 revenue funding can be spent on capital or revenue schemes and it would support the Council's financial position if a higher amount was spent on capital schemes. The amounts allocated to LNs may be reviewed from 2025/26 onwards.

All possible attempts should be made to secure match funding, both cash and in-kind proposals to maximise the benefits of the scheme. This can include contributions from, for example, Councillor Grants (CG), National Lottery, charitable trusts and foundations etc. In-kind contributions can include things such as volunteer time.

What type of project/s can LNs fund?

LNs can award funding to projects that help to address the issues identified in their LNAP.

Quotes for proposed projects.

For any single items or works between £0 and £5,000, we would accept one quote or estimate of works. For single items or works between £5,001 and £50,000, three quotes should be obtained. For any single items of works above £50,000, applicants will be required to enter into a tendering process.

What LNs cannot fund?

- Retrospective projects. This means that a grant cannot pay for work or activities that have already started or taken place or pay for any goods or services that have been ordered or paid for (including deposits) before the applicant receives an offer letter. This means that you should allow enough time for the application to be processed and approved before the work or project is due to start. Applications should therefore be submitted a minimum of eight weeks in advance of the planned start date.
- Requests for more than three years running costs. Where such requests are approved funding will be awarded on a reducing scale (to encourage sustainability) and will only be released for year one initially then subject to suitable evidence being provided, the following year's funding will be released.

- Projects that do not start within 12 months of the date of the offer letter (if there are issues that delay the start of the project, offer letters will be withdrawn and applicants may given the option of re-applying when they are in a better position to proceed).
- Projects that will lead to future operating cost difficulties for the recipient organisation.
- Projects that only support an individual.
- Profit-making organisations.
- Organisations that have an outstanding bill owed to the council.
- Companies/organisations that can pay profits to directors, shareholders or members (including Companies Limited by Shares)
- Religious projects that are deemed denominational, although faith-based organisations can be supported to deliver a project where there is a clear wider community benefit. Improvements/repairs to the structure/windows of buildings whose main/sole purpose is of a religious nature, cannot be supported.
- Political activities.
- The purchase of alcohol or associated costs.
- Costs associated with gambling.
- Overseas travel/projects that take place outside of the UK.
- Projects that should be paid from mainstream budgets of the Local Authority or of an external agency, unless it can be shown that the project will provide additionality.
- Mainstream educational activity i.e., activities/services that schools have a statutory responsibility to provide.
- Projects where the applicant has not managed a previous grant appropriately or where the applicant has failed to return monitoring information for a previous grant.
- VAT that the recipient organisation can recover.
- Loans and interest payments.
- Payments for individuals to cover bills or expenses that are not related to community activity.
- Liability arising out of negligence, for example, fines, fees or costs that arise due to negligent practice in the delivery of the project.
- Payments to employees of the organisation arising from claims of unfair dismissal or redundancy.

- Used vehicles.
- One organisation applying on behalf of another. Organisations can work in partnership on projects, however the applicant must be the main deliverer.
- Fireworks
- Inflatables
- Contingencies

This list is not exhaustive, and there may be other items that are not appropriate to receive LNF.

Can LNs apply for funding to deliver projects?

No. LN cannot directly apply for Local Network funding or be the lead deliverer of projects.

Can LN give their funding to a third-party organisation to distribute on their behalf?

LNs cannot give all/part of their funding to a ‘third party’ organisation to distribute on their behalf.

Who can apply?

Any not-for-profit organisation or group. This can include, charities, voluntary/community groups, Town and Parish councils, schools/educational establishments and social enterprises, provided they operate on a not-for-profit basis.

Organisations seeking funding must meet the following criteria*:

Volunteer-led organisations, registered charities, sports clubs and CIOs must:	Social enterprises, Community Interest Companies (CIC) and other companies must:
Have a governing document, such as a constitution that sets out the name and purpose of your organisation. It should also cover how it will work. Examples could include, how people join, how your committee will work, and when you’ll have meetings. Branches of larger organisations need their own governing document	Have a governing document that sets out the name and purpose of your organisation. It should also cover how it will work
Have a management committee with a minimum of four unrelated members	Have a management committee with a minimum of three directors, or four directors if two are related
Have a bank or building society account in the name of the organisation/group, with a minimum of two unrelated cheque signatories	Have a bank or building society account in the name of the organisation/company, with a minimum of two unrelated cheque signatories

Have yearly financial accounts – If you don't have yearly accounts, as you're a new organisation (less than 15 months old), we'll still look at your application if you can provide a projection of income and expenditure over the next 12 months.	Have yearly financial accounts
Have charitable aims	Have clear charitable purposes and a defined social benefit
Provide evidence of good governance practices and sound financial management (including registering with the Charity Commission, CASC or other governing body, depending on the size of the organisation)	Have a recognised status (e.g., a company limited by guarantee), and be registered with the necessary relevant body (e.g., Companies House)
Usually, you must register with the Charity Commission if your charity is based in England or Wales and has over £5,000 income per year. We may ask for evidence of this in the form of a letter from the Charity Commission confirming receipt of your application for charitable status.	Have a nominated organisation as an asset lock body.

**All above documents that require a signature, must be signed by the relevant individual/s.*

Important additional information for social enterprises including Community Interest Companies (CICs) and other companies.

As a model, it is expected that all forms of social enterprise should have a tradable service or product that generates funds for social benefit. Funding will only be available to support this social benefit element. Social enterprises applying to the LN must clearly demonstrate the activity for which they are seeking funding is not a tradable asset or service i.e. not an activity that would ordinarily generate income for the business.

All social enterprises, including CICs, must demonstrate a reasonable percentage of their income has been earned through trading (usually 25% or more will be considered a reasonable percentage). Social enterprises will be asked to provide a breakdown of their income streams, quantifying the income from grants and the income from trade, to verify this.

All social enterprises must also demonstrate within applications that:

- The company has been registered for a minimum of 12 months
- The application is made for costs to deliver the project not managing the CIC.
- There is clear evidence of need (consultation etc.) from the community and the benefit must also be clear.
- The project or activity for which funding is sought is charitable i.e., it must not be part of the trading services for which they would usually have a charge.
- Sessional costs are in line with an appropriate pay spine structure.

Expected policies.

We expect that any organisation we fund have appropriate policies are in place. These should include (if appropriate) but not be restricted to:

- Safeguarding policies and procedures for children and vulnerable adults.
- Public liability insurance.
- Employer's liability.
- Equality and diversity.
- Disclosure and barring service (DBS) checks carried out and in place for all paid and unpaid volunteer staff working with children and vulnerable adults.
- Suitable planning permissions and/or other regulations approval are in place prior to the commencement of any improvements to building or land as needed.
- General Data Protection Regulation (GDPR) policy.

We are unable to accept application from groups that:

- Have not returned monitoring forms for previous grants.
- Are subject to an investigation by the Charity Commission, the police or any other organisation in a legal capacity.
- Have restricted membership other than that associated with the purpose of the group itself i.e. necessary for the safety/wellbeing of disadvantaged users.
- Fail due diligence or do not comply with Charity Commission guidelines i.e. we would not make grants to organisations that had related bank signatories and/or multiple related trustees.

Projects taking place on land or buildings.

The project lead will need to either:

- Own the land or building.
- Have a lease that cannot be ended for five years.
- Have a letter from the owner saying the land or building will be leased to you for at least five years, or
- Have an official letter from the owner or landlord that says you're allowed to carry out your project.

You should also find out if you will need planning permission or building regulations approval for the work. Evidence of this must be submitted with your application.