GRANT-MAKING POLICY

THE NORTHERN POWERGRID FOUNDATION

A registered charity in England and Wales (number 1203185)
Adopted by the Charity Trustees on 11 June 2026
Last reviewed on 11 June 2026

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1. About this policy

1.1 This policy applies to The Northern Powergrid Foundation (**Charity**), a charity registered in England and Wales (number 1203185).

1.2 The charitable objects (**Objects**) of the Charity are

(a) the prevention and relief of poverty, and the relief of those in need due to financial hardship, ill-health, disability or other disadvantage including through the provision of advice and support for the optimisation of living conditions, particularly relating to the use of energy and resources among those in necessitous circumstances, including those in fuel-poor households, or who have suffered loss through weather-related or other environmental events;

(b) the maintenance, improvement or provision of public amenities for the public benefit in areas which are socially and economically deprived;

(c) the preservation, conservation, protection and improvement of the environment including through supporting sustainability and the prudent and efficient use of resources; and

(d) the advancement of education through the provision and support of educational support and training about all aspects of efficient and sustainable use of energy and resources.

The Charity is governed by the charity trustees of the Charity (**Charity Trustees**) who have a duty, acting at all times in the best interests of the Charity, to apply the Charity's assets to advance the Objects and have ultimate responsibility for all grant-making decisions.

1.3 The purpose of this policy is to set out the principles and procedures that guide the Charity Trustees when they are making grants to further the Objects. It also provides information about the Charity's grant-making process to anyone who is applying to the Charity, or would like to apply to the Charity, for a grant.

1.4 In this policy references to persons who are "connected" with a Charity Trustee includes:

(a) a child, stepchild, grandchild, parent, brothers or sister of a Charity Trustee;

(b) the spouse, unmarried partner or civil partner of a Charity Trustee or of any person falling within paragraph (a) above;

(c) any person who is in a business partnership with a Charity Trustee or any person who is in a business partnership with any person falling within paragraph (a) or (b) above; and

(d) any company, business, trust or organisation in which a Charity Trustee (or any other person connected to them) has an interest as a beneficiary or through ownership, control or influence.

2. Our funding priorities

2.1 The Charity Trustees are keen to support activities that advance the Objects in an effective way. However, they recognise that a limited amount of funds is available to distribute each year. The Charity Trustees' current funding priorities are:

(a) **Energy Resilience during emergency events –** enhancing community facilities, services and communication, and providing support to households in Northern Powergrid's[1] regions during prolonged periods without power.

(b) **Vulnerability –** protecting the welfare of vulnerable people in the communities served by Northern Powergrid particularly during extended power cuts by enhancing their resilience and supporting them to prepare for emergency situations.

(c) **Fuel Poverty –** helping to prevent and relieve those in fuel poverty through educational advice and support programmes.

(d) **Levelling the rural divide** - supporting communities who are particularly remote or isolated and have experienced power cuts due to poor weather in the past.

(e) **Innovation -** using innovative or transformational solutions to improve energy resilience for households in Northern Powergrid's regions.

(f) **Collaboration –** supporting communities or groups who work together to tackle issues to improve energy resilience.

(g) **Charities** - supporting existing charitable organisations or groups whose remit is to enhance energy resilience across Northern Powergrid's regions.

2.2 The Charity Trustees will not normally support:

(a) projects or initiatives which do not support people who are living or working within areas within Northern Powergrid's geographical areas.

(b) retrospective funding.

(c) actions that conflict with Northern Powergrid's interests.

(d) activities which are the responsibility of another organisation or statutory authority.

(e) applications for funding from branches or federations of national charities.

(f) applications for supplementary funding as a result of inflationary or other increases.

(g) from sports clubs and associations.

2.3 The Charity Trustees will not support:

(a) charity for political purposes or activity, including (but not limited to) funding activity intended to influence public opinion or political policy, or lobby for legal, regulatory or political reform.

(b) Grants to individuals.

(c) Applications for funding:

(i) for activities which are not charitable in law.

(ii) from organisations that do not have adequate safeguarding arrangements in place.

(iii) for contributions to general appeals or circulars.

(iv) from hospices or other healthcare providers.

(v) where the primary benefit is the advancement of religion.

[1] Northern Powergrid (Yorkshire) plc and Northern Powergrid (Northeast) plc

(vi) where the primary benefit is the advancement of animal welfare.

(vii) from larger organisations with a greater capacity to fundraise.

(viii) from uniformed groups such as scouts, guides and sea cadets.

(ix) from privately owned and profit-distributing companies or limited partnerships.

2.4 The Charity Trustees will occasionally award grants that fall outside the priorities stated in this policy, provided that they are satisfied that the grant will further the Objects and is an appropriate use of the Charity's funds.

2.5 The Charity Trustees will review the grant-making priorities and principles set out in this policy at least annually.

3. Who can apply for a grant

3.1 The Charity Trustees welcome proposals that support their funding priorities.

3.2 The Charity Trustees will usually only award grants to organisations based in the United Kingdom (**UK**) that either:

(a) are registered as charities with the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator and/or the Charity Commission for Northern Ireland; and/or

(b) qualify as charities under the law of England and Wales, but are not required to register with the Charity Commission for England and Wales; and/or

(c) are not for profit; and/or

(d) are a social enterprise.

However, the Charity Trustees may, at their discretion, also consider proposals from charities that are established outside the UK and non-charitable organisations that are established either in the UK or elsewhere.

3.3 The Charity Trustees will not usually award grants to any of the organisations defined in 3.2 unless they have been existed for at least 12 calendar months from incorporation and can produce a set of annual or first accounts.

3.4 The Charity Trustees will not usually award grants to an applicant that has:

(a) previously submitted a proposal where the applicant failed the Charity Trustees' due diligence checks and the issues identified at that time have not been addressed; or

(b) applied for a grant to fund any activities that are outlined in 2.2 and 2.3 above; or

(c) previously been awarded a grant by the Charity, until a period of not less than two years has elapsed from the completion of the most recent project or initiative.

4. What we will fund

4.1 The Charity Trustees usually make grants of between £1,000 and £20,000.

4.2 The Charity Trustees will consider making larger grants in exceptional circumstances where it can be demonstrated that funding will significantly benefit Northern Powergrid communities.

4.3 All grants awarded by the Charity must be used to cover costs that are directly connected to carrying out the charitable activities that the Charity Trustees have agreed to fund (**Funded Activities**). Unless the applicant is able to demonstrate that the expenditure is essential for, and directly linked to, the Funded Activities, grants must not be used to fund any of the following types of expenditure:

(a) salary costs;

(b) capital expenditure (the applicant must also be able to demonstrate that any assets acquired using grant monies will be used for similar purposes after the end of the Funded Activities);

(c) contributions to the cost of overheads; and

(d) costs associated with any purpose not directly linked to the Funded Activities.

4.4 The Charity Trustees will award grants to fund up to 100% of the cost of a proposal. However, the Charity Trustees will:

(a) consider funding part of the cost of a proposal where the total cost is shared with one or more other funders; and

(b) also encourage applicants to seek matched or additional sources of funding for their proposal.

4.5 If a grant covers part of the cost of a proposal:

(a) the Charity Trustees will require the applicant to provide details of the other funder(s) and the funding that they have secured (including any loans or other commercial funding) before the grant can be paid.

(b) and the supplementary funding has not been fully secured, the Trustees will at their discretion, allow a period of up to six months from the date of grant approval for the funding to be secured.

(i) If upon the expiry of the six months:

(A) all supplementary funding has been secured, the grant will be paid.

(B) the supplementary funding has not been secured, the Trustees may, at their discretion, allow an additional period of three months to secure the additional funding.

(ii) If after nine months from the date of grant approval, all required supplementary funding has not been secured, the grant will be withdrawn.

5. How to apply for a grant

5.1 All applications must be submitted using the online process through the Charity's website. Alternative accessible options are available by contacting the Charity.

5.2 If the application is made by or on behalf of an organisation, the following must also be provided with the proposal:

(a) a complete, up-to-date copy of the organisation's governing document (such as articles of association);

(b) if the organisation is a UK charity:

(i) its registered charity number(s) as issued by the Charity Commission for England and Wales, the Office for the Scottish Charity Regulator and/or the Charity Commission for Northern Ireland; and/or

(ii) if it is a charity under the law of England and Wales that is not required to register with the Charity Commission for England and Wales (because it is either an exempt or excepted charity, or has income below the registration threshold), evidence of its charitable status (such as an HMRC reference number);

(c) if the organisation is a charity established outside the UK, evidence:

(i) of its charitable status. This might, for example, include evidence of registration with a non-UK charity regulator and/or written confirmation from an appropriately qualified professional that the organisation is established as a charity in the relevant jurisdiction; and

(ii) that all of the activities in the proposal will qualify as being charitable for the public benefit if they are undertaken by an organisation that is registered as a charity in England and Wales; and

(d) the organisation's most recent set of accounts.

5.3 If the applicant is a non-charitable organisation (as defined in 3.2. (c) and (d)) the proposal must also:

(a) provide evidence that the organisation has a bank account; and

(b) demonstrate that all of the activities in the proposal will qualify as being charitable for the public benefit if they are undertaken by an organisation that is registered as a charity in England and Wales.

6. How we make decisions about grants

6.1 The Charity Trustees have ultimate responsibility for all grant-making decisions and for ensuring that all funds awarded are used to advance the Objects.

6.2 The Charity Trustees must declare the nature and extent of any interest, direct or indirect, which could, or could be seen to, prevent them from making a grant decision only in the best interests of the Charity. Situations in which a conflict of interest may arise include where:

(a) a Charity Trustee (or a person connected to them) stands to benefit from a grant from the Charity (see paragraph 7 (Grants to Charity Trustees or connected persons)); or

(b) a Charity Trustee has a duty of loyalty to a third party that conflicts with their duty to the Charity.

Any such conflict of interest must be declared and managed by the Charity Trustees in accordance with the Charity's conflicts of interest policy.

6.3 The Charity Trustees may delegate certain decision-making responsibilities. In particular:

(a) before making a decision to award a grant, the Charity Trustees may ask anyone they consider has relevant expertise or experience to provide them with information and to join in their discussions, but not to take any part in the final decision.

6.4 In all cases where a recommendation is made to them to award a grant, the Charity Trustees may (in their absolute discretion) refuse to approve that recommendation, particularly if they consider that a grant would not be an effective way to further the Objects or would conflict with the Charity's policies or interests.

6.5 The Charity Trustees may take up to six months to consider grant proposals and decide if they will award a grant or not.

6.6 The Charity Trustees will inform applicants of their decision in writing.

6.7 If an applicant is awarded a grant, the Charity Trustees will:

(a) set out the key terms of the grant and any conditions that are attached to it in a grant letter or grant agreement; and

(b) ask the applicant to sign the grant letter or grant agreement to indicate that they accept the terms and conditions.

6.8 If the Charity Trustees decide not to award a grant for a proposal the Charity Trustees may at their discretion, if requested by the applicant, give the applicant such written feedback on the reasons for their decision as they consider appropriate.

6.9 The Charity Trustees' decision whether to award a grant is final.

7. Grants to charity trustees or connected persons

7.1 Article 6.2.3 of the Charity's articles of association authorises a Charity Trustee or any person connected to them to receive a benefit from the Charity as a beneficiary of the Charity, provided that a majority of the Charity Trustees do not benefit in this way.

7.2 If an application for a grant is made to the Charity by a Charity Trustee, or a person connected to them, the non-conflicted Charity Trustees may therefore consider making the grant in accordance with this policy.

7.3 If a Charity Trustee, or a person connected to them, applies for a grant the conflicted Charity Trustee must:

(a) absent themselves from any discussion of the grant application by the non-conflicted Charity Trustees; and

(b) have no vote and not be counted as part of the quorum in any decision of the non-conflicted Charity Trustees on the grant; and

(c) follow the procedures set out in article 7.2 of the charity's articles of association authorising a Charity Trustee or any person connected to them to receive a benefit from the Charity as a beneficiary of the Charity.

8. Due diligence

8.1 When the Charity Trustees are considering a grant-funding proposal, they will undertake due diligence checks on the applicant. The checks that are undertaken will vary according to the Charity Trustees' assessment of any risks associated with the proposal or the applicant.

8.2 Due diligence may include requesting details of, and taking such steps as the Charity Trustees consider to be reasonable to scrutinise, any of the following:

(a) the applicant's governing documents;

(b) if applicable, the applicant's status as a charity, including (where it is required to do so) evidence that the applicant has been registered with a charity regulator;

(c) the applicant's latest accounts and financial position;

(d) the identity of the applicant's directors, trustees, executive committee or other key personnel, in particular, to seek to establish whether they are authorised to act in that capacity;

(e) the applicant's governance and operational structures and practices;

(f) the applicant's internal financial controls;

(g) relevant operational policies and procedures that the applicant has in place, for example, in relation to safeguarding children and vulnerable adults, and on equality and diversity;

(h) the applicant's aims and values; and

(i) any external risk factors that might affect the proposal.

8.3 In cases where the applicant will receive support from another funder, or works with a partner, the Charity Trustees may undertake due diligence on that funder or partner.

8.4 The Charity Trustees will keep a written record of any due diligence that they undertake.

9. Reporting requirements and monitoring

9.1 The Charity Trustees will take steps to monitor the use of the grant and verify that the grant is used for the purposes that have been agreed. The arrangements for monitoring will vary according to the nature of the grant, but the Charity Trustees will always seek to ensure that the arrangements are appropriate and proportionate.

9.2 Arrangements for monitoring use of the grant may include asking the recipient to provide any of the following:

(a) copies of formal records such as receipts, invoices, bank statements and management accounts to show that funds have been used for the purpose for which they have been awarded and in accordance with the terms of the grant;

(b) regular written or verbal updates showing progress to date, summarising key achievements or problems encountered, indicating whether targets have been met and giving reasons for any delay in implementing work funded by the grant;

(c) a final written report within three months of the completion of the work funded by the grant, showing how funds have been spent, evaluating where the work has been successful and identifying lessons that can be learnt; and

(d) information about any proposed changes to the proposed activities.

9.3 If appropriate, the Charity Trustees may also visit grant-funded activities and interview individuals involved in running those activities.

9.4 Basic monitoring requirements will be set out in the grant letter or grant agreement. However, the Charity Trustees may take any additional steps to monitor the use of grant funds that they consider appropriate.

10. Clawback and repayment

The Charity Trustees may require repayment of any part of the grant if:

(a) the Funded Activity for which it was awarded does not proceed within nine months from the date of grant;

(b) part of the grant remains unused when the activities that the grant was intended to fund have been completed;

(c) false or misleading information is provided, either on application or after award of the grant; or

(d) the grant is used for a purpose other than that which has been agreed.

11. Reviewing and amending this policy

11.1 This policy will be reviewed by the Charity Trustees at least annually.

11.2 The Charity Trustees may vary the terms of this policy from time to time.