

 Executive – 18th December 2019		Agenda Item No. 6
Title	Rural/Urban Capital Improvement Scheme (RUCIS) Changes	
For further information about this report please contact	Jon Dawson Finance Administration Manager 01926 456204 email: jon.dawson@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	Rural/Urban Capital Improvement Scheme details	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	Yes

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	02/12/2019	Chris Elliott
Head of Service	02/12/2019	Mike Snow
CMT	02/12/2019	Chris Elliot, Bill Hunt and Andy Jones
Section 151 Officer	02/12/2019	Mike Snow
Monitoring Officer	02/12/2019	Andy Jones
Finance	02/12/2019	Mike Snow
Portfolio Holder(s)	02/12/2019	Cllr Hales
Consultation & Community Engagement		
Verbal discussion (21 st October 2019) and email correspondence (8 th November 2019) with Cllr Hales and Mike Snow.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. Summary

- 1.1 This report aims to seek the Executive approval of a revised scheme and maximum contribution for the Rural / Urban Capital Improvement Scheme (RUCIS).

2. Recommendation

- 2.1 It is recommended that the Executive agree a revised scheme whereby the £150,000 per annum budget is no longer split into rural and urban categories (£75,000 each) and is instead, with immediate effect, considered as one budget for all applications regardless of location.
- 2.2 It is recommended that the Executive agree a revised criteria with regards to the maximum percentage contribution, with effect from the new financial year, if the project works are environmentally sensitive and contribute to the Council's Climate Change Emergency aims, details as follows:

The RUCIS scheme is currently split into two categories...

- "Small Grant Scheme" – projects with a total cost of up to £10,000 with a maximum contribution of up to 80% of the overall costs (maximum of £8,000)
- "Main Grant Scheme" – projects with total costs of more than £10,000 with a maximum contribution of 50% of the overall costs (maximum of £30,000)

If the project works meet the schemes climate change parameters, the maximum percentage contributions with effect from the new financial year will become:

- "Small Grant Scheme" – projects with a total cost of up to £10,000 with a maximum contribution of up to 90% of the overall project costs (maximum of £9,000)
- "Main Grant Scheme" – projects with total costs of more than £10,000 with a maximum contribution of 60% of the overall project costs (maximum of £30,000)

All applications have to meet at least two out of five objectives from the Council's business strategy as noted on the grant application form; in conjunction with the maximum percentage contribution change a sixth objective will be added to the application form which will help to inform the decision making process:

- Environmentally sensitive - "clean, green and safe", for example; project includes energy efficiency and renewable energy technology

Agreement of the parameters to define qualification as an environmentally sensitive/climate change project and as such be able to apply for the increased percentage contribution should be delegated to the Head of Finance in consultation with the Finance and the Environment & Business portfolio holders.

- 2.3 Providing 2.2 is agreed, it is recommended that any remaining budget from the current 2019/20 financial year is, as a one-off occasion, carried forward to the 2020/21 financial year.

3. Reasons for the Recommendation

- 3.1 Historically, the annual budget was administratively split into two separate cost centres for the current financial year, one for rural and one for urban, and there was a separate cost code for slippage. A number of years ago carry forward of remaining budget at year-end was ended and cost codes were stream-lined to just one cost centre which holds the £150,000 annual budget. Reporting wise it has still been projected as two separate cost centres and applications have been categorised into the appropriate cost centre area.

However, analysis shows that applications over a number of years have naturally resulted in an equal split between rural and urban areas.

RUCIS AWARD ANALYSIS

	OVERALL			RURAL			URBAN		
YEAR	NO. OF AWARDS	NO. AT 80% FUNDING	AMOUNT	NO. OF AWARDS	NO. AT 80% FUNDING	AMOUNT	NO. OF AWARDS	NO. AT 80% FUNDING	AMOUNT
2018/19	10	2	£179,851	4	0	£68,096	6	2	£111,755
2017/18	10	3	£140,821	5	1	£79,801	5	2	£61,020
2016/17	11	5	£115,158	6	2	£72,221	5	3	£42,937
TOTALS	31	10	£435,830	15	3	£220,118	16	7	£215,712

Additionally, as the scheme currently stands, if there was an application which met all the criteria and was recommended for an award but there was insufficient budget remaining in the cost centre for that area (i.e. rural or urban) it would be recommended that the "budget" for the award under consideration should simply be taken from the other areas' cost centre/budget which would be agreed rather than declining a project which would bring community benefits.

Previous revisions to the scheme criteria and also the introduction of the small grant scheme category which increased the maximum percentage award from 50% to 80% have had no detrimental impact on applications made; annual monitoring of the awards (number, amount, location) will continue to ensure that the changes in this report also do not have a detrimental effect on future applications.

To simplify future reports to Executive and for ongoing management of the scheme it is therefore recommended that the scheme is revised to just one budget regardless of location.

- 3.2 Projects that RUCIS grants contribute towards can often create opportunities for not-for-profit organisations' buildings and facilities to be more environmentally sensitive, for example; reducing energy consumption and water usage. This can reduce the organisations running costs which in turn supports the organisation with its service delivery for the community and opportunity to keep activity/membership costs at a minimum to ensure inclusivity for the whole

community. In June 2019 the Council declared a Climate Emergency and is committed to “facilitating decarbonisation by local businesses, organisations and residents, in order for Warwick District to be as close to zero by 2030 as possible”. However, costs for environmental products and to deliver environmental improvements can be cost prohibitive for the applying organisations with cheaper less environmentally sensitive options chosen instead.

An increased maximum percentage contribution would help to support not-for-profit organisations to deliver more environmentally sensitive projects that support the Council’s Climate Change Emergency.

- 3.3 If the suggested maximum percentage contribution changes are agreed it will very likely lead to some organisations holding back from applying in the current financial year and instead apply in the next financial year to maximise the financial support available. This will result in 2019/20 budget not being fully utilised and then lost at year-end, it is therefore recommended that any remaining 2019/20 budget is on this occasion slipped into 2020/21 to ensure there is no detriment to the support for projects benefitting communities across the whole of Warwick District.

4. Policy Framework

4.1 Fit for the Future (FFF):

The Council’s FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands; People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal, if any, in relation to the Council’s FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
All RUCIS applications are designed to	Through the delivery of RUCIS grants the aim is	N/A

encourage and support local communities and local not-for-profit organisations in developing cohesive and active communities.	to deliver cohesive and active communities which in turn help to support and maintain lower levels of crime and ASB.	
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
N/A	N/A	N/A

4.2 Supporting Strategies; each strand of the FFF Strategy has several supporting strategies and but none are directly relevant in this case.

4.3 Changes to Existing Policies; there are no changes to existing policies.

4.4 Impact Assessments; there are no new or significant policy changes proposed in respect of Equalities.

5. Budgetary Framework

5.1 The annual budget for the Rural/Urban Capital Improvement Scheme is £150,000; this would remain the same but would be considered as one budget for all applications regardless of location.

5.2 Within this financial year there is £39,806 remaining in the "rural cost centre" and £65,600 in the "urban cost centre"; if recommendation 2.1 is agreed, with immediate effect, this will be considered as one budget with a total £105,406 remaining.

5.3 If the maximum percentage contributions recommended in 2.2 are agreed it is anticipated that there will be a low impact on the annual budget but will enable more environmentally sensitive improvements to be made throughout Warwick District which will contribute to the Council's Climate Change Emergency:

- Projects under £10,000; the maximum amount the scheme can contribute to projects would only increase by £1,000 (from £8,000 to £9,000)

- Projects over £10,000;
 - the overall maximum amount the scheme can contribute to projects would remain capped at £30,000
 - in terms of the recommended maximum percentage contribution change, an organisation could receive a maximum amount increase of £5,000, for example; currently a £50,000 project can receive a maximum of 50% which would be £25,000, with the proposed change to a maximum 60% contribution this project could receive a maximum £30,000 amount

6. Risks

6.1 There are no main risks for this proposal.

7. Alternative Option(s) considered

- 7.1 The Council could do nothing and retain the current criteria, however, this is not deemed a viable option as opportunities could be missed to support the Council's declared Climate Change Emergency.
- 7.2 Members could decide alternative amounts and / or percentage contributions for applications for environmentally sensitive projects that meet the agreed climate change parameters.

8. Background

- 8.1 The Council operates a Rural and Urban Capital Improvement Scheme (RUCIS) which gives grants towards capital projects to not-for-profit organisations within Warwick District which make use of volunteer labour;
<https://www.warwickdc.gov.uk/rucis>