

 Executive – 19th June 2013		Agenda Item No. 5
Title	Rural/Urban Capital Improvement Scheme - Amendment to Criteria	
For further information about this report please contact	Jon Dawson Finance Administration Manager 01926 456204 e mail: fsteam@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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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 & Sustainability Impact Assessment Undertaken	Yes

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	28.5.13	Andy Jones
Head of Service	28.5.13	Mike Snow
CMT	28.5.13	Chris Elliot, Bill Hunt and Andy Jones
Section 151 Officer	28.5.13	Mike Snow
Monitoring Officer	28.5.13	Andy Jones
Finance	28.5.13	Mike Snow
Portfolio Holder(s)	10.5.13	Cllr Mobbs
Consultation & Community Engagement		
Final Decision?		

1. **SUMMARY**

- 1.1 This report aims to seek the Executive approval of the revised criteria for the Rural / Urban Capital Improvement Scheme (see appendix 1). We are currently experiencing an increased number of enquiries that is likely to lead to a higher number of applications than in previous years; so the criteria have been revised to better support the fair and equitable allocation of awards across the district and to further improve the financial management of the scheme.

2. **RECOMMENDATION**

- 2.1 That the Executive agree the revised criteria for the Rural / Urban Capital Improvement Scheme as noted in appendix 1.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The scheme has historically had a steady number of applications which on the whole have been approved if they met the scheme criteria. However upon examination of these successful applications there are a number of issues that need to be addressed moving forward;
- Certain organisations are coming back time and time again for grants
 - Commitments for approved grants are being carried forward year after year with no follow up with regards to how the projects are progressing
 - There is no minimum or maximum value of grant; a small number of high value grants could use up the whole year's budget on a first come first served basis
 - There has been no real assessment of applicants with large reserves which has resulted in grants being awarded to organisations that could have potentially funded themselves
 - We are experiencing an increased volume of enquiries which is likely to lead to a higher number of applications than previous years and the value of the projects coming forward are large in comparison to the funding available.

4. **POLICY FRAMEWORK**

- 4.1 The Rural and Urban Capital Improvement Scheme Review supports the Sustainable Community Strategy and the cross cutting themes which form the priorities for funding areas as follows:-

Engaging and supporting communities including community cohesion and embedding sustainability

Targeted geographical areas (Neighbourhood Anchors)

Narrowing the gaps / families at risk

Rurality

5. **BUDGETARY FRAMEWORK**

- 5.1 The budget for the Rural/Urban Capital Improvement Scheme applications for 2013/14 is £150,000 (£75,000 for rural projects and £75,000 for urban projects).

5.2 The unallocated budget from 2012/2013 of £169,685.49 will be requested to be as part of the June Final Accounts Report. This will sit within a separate cost centre budget so as to be added to either Rural or Urban schemes once the 2013/2014 budget has been used.

5.3 There is a report for a Rural / Urban Capital Improvement Scheme application for Warwick Sports Club also to be considered at this Executive meeting. If this application for 50% of the total project cost up to a maximum of £31,450 is approved, £43,550 will remain in the Urban Cost Centre budget.

6. **ALTERNATIVE OPTION(S) CONSIDERED**

6.1 The Council could do nothing and retain the current criteria, however, this is not deemed a viable option as per the rationale noted above in the reasons for the recommendation.

6.2 To introduce minimum / maximum values the Council could decide an alternative value range.

6.3 The scheme currently accepts applications throughout the year for consideration by the next suitable Executive meeting. It is possible to move to a scheme whereby all applications are considered together with there being a single annual deadline. If applications exceed the available budget, this would enable a more objective prioritisation of projects. However, a single annual application deadline may cause delays for many organisations in securing funding. This may also be a problem in cases of "unforeseen" applications (i.e. responding to an emergency), or if further funding sources are dependent on an organisation showing a degree of funding has already been secured. On balance, it is not believed that there is a strong enough case to change from the current process here.

7. **BACKGROUND**

7.1 The Council operates a Rural and Urban Capital Improvement Scheme which gives grants to non-profit community organisations towards capital projects that are located in an area of Warwick District.

7.2 Historically there has been a fairly low volume of applications throughout each year which has meant that the budget for the scheme has usually been under spent.

7.3 The scheme hasn't previously been widely publicised although details can be found on the Council's website and most Parish / Town Councils should be aware of the scheme. However, interest in the scheme has mushroomed in recent months and as can be seen from the following figures for the period 2nd January 2013 to 9th May 2013 the values of the projects coming forward are large in comparison to the funding available:

TOTALS

1 Application to be considered by June Executive	=	£31,450
3 Applications Received / Pending	=	£86,062
1 Application Expected (Approx Max Amount)	=	£18,000
Sub Total	=	£135,512
Enquiries; Possible 8 Applications (Approx Max Amount)	=	£87,500
Total	=	£223,012

In addition there may be a further 3 applications of undetermined amounts.

- 7.4 This leads to the question of whether we want to help fund several large projects or more small to medium projects.
- 7.5 The inclusion of a maximum value should help set expectations of organisations coming forward with applications; even with a maximum value the level of interest in the scheme is such that it is likely that we will not be able to support every application submitted.
- 7.6 The introduction of the suggested revised criteria should help to determine which organisations should be given priority over others.
- 7.7 The key criteria revisions recommended are as follows:

Amendments to Existing Criteria

- The definition of capital has been amended to ensure plain English, it now reads:
 - Capital can be defined as “funds used by an organisation to purchase or upgrade physical assets such as property or equipment”. This type of outlay is made by organisations to maintain or increase the service and / or facilities available.
- “A bank statement of not more than 3 months old and evidence of any savings / investment accounts” has been inserted in addition to requiring 3 years independently audited accounts
- Within the “Grants cannot be awarded if” section we previously had “in considering the amount to grant award, regard shall be had to the applicant’s level of financial reserves and to what extent the organisation is able to provide funding”. This has been amended to “The organisation has reserves to fund the project themselves, i.e. cash reserves / savings that total more than 12 months of the organisations operating costs”
- Previously quotes were only required for grants in excess of £10,000, this has been amended to “Three separate written quotations must be supplied”. This means quotes will need to be provided for all applications.

New Criteria

- Please note that grants will only be awarded once in a two year period, for example; if an organisation is successful with a grant application in 2013 they will not be able to apply again until 2015 after the 2 year anniversary of the previous award
- The amount requested must be within the range of a minimum of £1,000 up to a maximum of £50,000
- All prices given in the grant application must be the expected level of costs. No allowance for inflation will be made once the grant has been awarded
- Grants must be used within 12 months of the offer being made unless there are exceptional circumstances; awards not used within the 12 month period may be withdrawn

- Payment of grants will be made directly to the organisation undertaking the project and not to a contractor
- Where the full amount of expenditure as detailed on the application form has not been met the amount of the grant will be reduced by a proportional amount
- The offer of a grant from the Council does not convey approval of technical, legal, financial or other matters relating to the project, which will remain the responsibility of the applicant. The council cannot accept liability for any misjudgements by applicants regarding the budgeting, design, technical standards or any other aspects
- The award of a grant remains at the discretion of the Council regardless of whether or not an application meets the grants rules and conditions
- Loss in revenue from lettings or any additional costs incurred, for example, the cost of using alternative premises while grant aided works are being carried out, are not eligible for compensation from the Council. Applicants should plan their projects accordingly to minimise such problems
- Where grants are offered for premises projects, in return the Council reserves the right to use the premises for election purposes at an appropriate charge providing adequate notice is given
- The Council may require repayment of all or part of the grant if the asset created is disposed of or undergoes a significant change of use within 5 years of the project
- Projects that involve leasehold premises must have a minimum of 5 years lease remaining
- In the "Grants cannot be awarded if" section - the project is not sustainable for a minimum of 5+ years
- "In-kind" contributions cannot be considered as part of the funding for the total project costs
- Future "local fundraising" cannot be considered as part of the funding for the total project costs; only funds currently held by the organisation can be considered