

 Executive – 6 February 2019		Agenda Item No. <h1 style="text-align: center;">13</h1>
Title	Rural/Urban Capital Improvement Scheme (RUCIS) Application	
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	Warwick West	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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	RUCIS Scheme details. RUCIS Application file no. 243 to 244; correspondence with applicants.	

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	15.1.19	Chris Elliott
Head of Service	15.1.19	Mike Snow
CMT	15.1.19	Chris Elliot, Bill Hunt and Andy Jones
Section 151 Officer	15.1.19	Mike Snow
Monitoring Officer	15.1.19	Andy Jones
Finance	15.1.19	Mike Snow
Portfolio Holder(s)	15.1.19	Cllr Whiting
Consultation & Community Engagement		
Community Partnership Team, Manoj Sonecha (Active Communities Officer), Stuart Winslow (Sports and Leisure Contract Manager) and Chloe Johnson (Arts Collections and Engagement Manager); Copy of report forwarded 3 rd January 2019.		
Final Decision?	Yes/No	
Suggested next steps (if not final decision please set out below)		

1. Summary

1.1 This report provides details of two Rural/Urban Capital Improvement Scheme grant applications:

- Warwick Tennis Club to resurface and install floodlights to court 6 to resolve current health & safety issues with the court surface and to increase court usage capacity by enabling later evening and weekend playing time
- Hill Close Gardens Trust to build an extension to the existing visitor centre to create an additional visitor's room to create further capacity for viewing their horticultural collection and for community group activities

2. Recommendation

2.1 It is recommended that the Executive approves:

Warwick Tennis Club

A Rural/Urban Capital Improvement Grant from the urban cost centre budget for Warwick Tennis Club of 50% of the total project costs to resurface and install floodlights to court 6, as detailed within paragraphs 1.1, 3.2 and 8.1, up to a maximum of £17,766 including vat, subject to receipt of the following:

- Written confirmation from Warwick Town Council to approve a capital grant of £1,000 (if the application is declined or a lower amount agreed, Warwick Tennis Club will increase their loan application to the Lawn Tennis Association to cover the budget shortfall)
- Written confirmation from the Lawn Tennis Association to approve a loan for £5,000 (this will increase to £6,000 if Warwick Town Council decline the grant application as noted above)
- Written confirmation that planning permission has been granted for the installation of floodlighting (application number W/18/2224)

As supported by appendix 1.

Hill Close Gardens Trust

A Rural/Urban Capital Improvement Grant from the urban cost centre budget for Hill Close Gardens Trust of 33% of the total project costs to build an extension to the existing visitor centre to create an additional visitor's room, as detailed within paragraphs 1.1, 3.2 and 8.2, up to a maximum of £30,000 excluding vat, subject to receipt of the following:

- Written confirmation from Warwick Town Council to approve a capital grant of £5,000 (if the application is declined or a lower amount agreed, Hill Close Gardens Trust will cover the shortfall from their cash reserves which have been evidenced through provision of their annual accounts and recent bank statements)

As supported by appendix 2.

3. Reasons for the Recommendation

- 3.1 The Council operates a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grants recommended are in accordance with the Council's agreed scheme and will provide funding to help the projects progress.
- 3.2 Both projects contribute to the Council's Fit for the Future Strategy;

Warwick Tennis Club

The club is situated in the Warwick West ward, a recognised income deprived area; without the club there would be fewer opportunities for the community to enjoy and participate in sporting/physical and social activities which could potentially result in an increase in anti-social behaviour, an increase in obesity and disengage and weaken the community. The project will resolve current health & safety issues with court 6 and increase court usage capacity by enabling later evening and weekend playing time. The project will therefore increase opportunities for the community to enjoy and participate in sporting/physical activity, including children, which helps to reduce anti-social behaviour and obesity.

Hill Close Gardens Trust

The gardens are situated in the Warwick West ward, a recognised income deprived area; without the gardens there would be fewer opportunities for the community to enjoy and participate in physical, social and arts/cultural activities which could potentially result in an increase in anti-social behaviour, an increase in obesity and disengage and weaken the community. The Trust have an overall three phase project; the phase 1 project which the RUCIS grant will contribute towards will build an extension to the existing visitor centre creating an external shell for an additional visitor's room and with completion of the phase 2 project to equip and fit out the new room, which has a firm funding plan in place, further capacity will be created for visitor's to view the horticultural collections and for community groups activities, such as yoga and meditation, which will further help to reduce anti-social behaviour and obesity and engage and strengthen the community.

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 encourage and support local communities and local not-for-profit organisations in developing cohesive and active communities. The details behind this are set out in appendices 1 and 2.	Through the delivery of RUCIS grants the aim is to deliver cohesive and active communities which in turn help to support and maintain lower levels of crime and ASB. The details behind this are set out in appendices 1 and 2.	N/A
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 budget for the Rural/Urban Capital Improvement Scheme applications for 2018/19 is £150,000 (£75,000 for rural projects and £75,000 for urban projects).
- 5.2 Anticipated future applications within the 2018/19 financial year will exceed the remaining budget, considering this, at the 28th November 2018 Executive, an additional £50,000 budget was agreed; this is from the 2017/18 surplus and has thus reduced the allocation to the Community Projects Reserve.
- 5.3 There is £61,011 available to be allocated for Rural/Urban Capital Improvement Scheme Grants from the urban cost centre budget in 2018/19. If the applications from:
- Warwick Tennis Club of 50% of the total project costs up to a maximum of £17,766 (including vat)
 - Hill Close Gardens Trust of 33% of the total project costs up to a maximum of £30,000 (excluding vat)

Are approved, £13,245 will remain in the urban cost centre budget.

- 5.4 There is £6,904 available to be allocated for Rural/Urban Capital Improvement Scheme Grants from the rural cost centre budget in 2018/19.
- 5.5 There is £828 available to be allocated from project underspends in 2018/19.

As per appendix 3.

6. Risks

- 6.1 There are no main risks for this proposal.

7. Alternative Option(s) considered

- 7.1 The Council has only a specific capital budget to provide grants of this nature and therefore there are no alternative sources of funding if the Council is to provide funding for Rural/Urban Capital Improvement Schemes.
- 7.2 Members may choose not to approve the grant funding, or to vary the amount awarded.

8. Background

- 8.1 Warwick Tennis Club:

Warwick Tennis Club has submitted a RUCIS application to resurface and install floodlights to court 6; the application is for 50% of the total project costs up to a maximum of £17,766 including vat.

Planning permission is required for floodlight installation, an application (W/18/2224) has been made and is now waiting for a decision; the planning case officer has confirmed that the application has been added to the draft agenda for the next planning Committee on 29th January 2019 and has also provided the following update:

- The deadline for neighbour comments was 31st December 2018, a number of letters were sent out, however, there have been no objections received
- Health and Community Protection Officers have commented; “the applicant’s lighting assessment has failed to offer an assessment of the appropriate Environmental Zone (according to: Guidance Notes for the Reduction of Obtrusive Light GN01:2011), however, the predicted vertical surface illuminance levels (lux) are acceptable for both E2 and E3 Environment Zones and we therefore have no objection to the proposed lighting scheme. To mitigate the impact on nearby residential receptors and to correlate with an existing condition at the site (condition 5 of W/13/1066) limiting use of the tennis courts, I would recommend that the lights are required by condition to be switched off at 21:00 and switched on no earlier than 08:00”

The planning case officer therefore thinks this is a relatively straightforward planning application.

Warwick Tennis Club has committed £11,766 to the project costs from their cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Although cash reserves look quite considerable and are more than 12 months operating costs, the majority of these reserves is restricted funds, ring-fenced as the courts sinking fund. The Lawn Tennis Association encourages club’s to proactively manage a sinking fund and has a sinking fund calculator to help club’s determine how much they need to ring-fence each year, further information and the calculator can be found on the following webpage; <https://www.lta.org.uk/workforce-venues/tennis-venue-support/tennis-facility-funding-and-advice/club-sinking-fund-calculator/>. The club’s current sinking fund is below the calculation amount. Unrestricted cash reserves are less than 12 months operating costs therefore meeting the RUCIS scheme criteria.

Warwick Tennis Club itself is is not vat registered although it is a section of Warwick Sports Club which is vat registered (number; 585055327); however, they will not be reclaiming vat in connection to this project. In general, any bills in Warwick Tennis Club’s name cannot have the vat reclaimed although any bills associated with running the overall Warwick Sports Club (including capital spend) can have the vat reclaimed. This ability does in fact allow some small amounts of vat to be reclaimed from its three Sports Sections under the Partial Exemption rules, however, in total the amount that can be reclaimed by the Sections including the Tennis Club is limited to a maximum of £7,500 per annum and if it is any more then nothing can be reclaimed in that year. The Hockey Club have to hire their pitches for over £3,000 a month and they have the main share of the £7,500. The Tennis and Cricket Sections have running costs that tend to take up about £1,000 each. Therefore any capital spend by

any of the Sections would not qualify for a vat refund as it would put them over their claim amount threshold; the award will therefore be inclusive of vat.

Warwick Sports Club have previously successfully applied for RUCIS grant awards:

- January 2016 – 45% grant awarded which equated to £27,610 to refurbish men's and ladies showers, ladies toilets and the bar / kitchenette area; install a security monitoring system with video cameras and alarm system; replace existing halogen lights and dimmers with more efficient LED lights; repair and extend safety fencing on the veranda; complete an electrical test to ensure compliance with all current regulations.
- June 2013 - 50% grant awarded which equated to £31,450 for a disabled toilet extension, kitchen refurbishment, disabled adaptations on the veranda / entrance and widen the driveway. There was an underspend on this project of £5,250.
- August 2012 – 50% grant awarded which equated to £10,000 for foundation work that was needed to carry out the main project as noted above.
- November 2011 – 43% grant awarded which equated to £26,000 for replacing the ceiling and supporting joists in the bar, lounge and dining room area as well as to install more energy efficient lighting.

Warwick Cricket Club which is also a section of Warwick Sports Club has also previously successfully applied for a RUCIS grant award:

- March 2017 – 80% grant awarded which equated to £7,520 to purchase two new mowers

With regards to multi-sports organisations, the RUCIS scheme criteria states:

“Multi-sport organisations that are legally one entity but with separate sports activities that are operated and managed independently on a day-to-day basis with separate memberships, committees, volunteers, constitutions and bank accounts;

- Each individual sport organisation can apply for a grant in their own right for a project that is connected to their sport / facilities only. Grants will only be awarded once in a 2 year period.
- If the project is for a shared facility, for example, a clubhouse used by each organisation; providing one of the individual sports organisations has not had a grant within the last 2 years and are prepared to be the applicant, a grant may be awarded. Grants will only be awarded once in a 2 year period.”

Warwick Tennis Club are applying for a grant to refurbish and improve a facility which is for the sole use of their sport organisation and they have never previously had a RUCIS grant award; the application therefore meets the scheme criteria noted above.

It is therefore recommended that the Executive approves an award of a Rural / Urban Capital Improvement grant to Warwick Tennis Club of 50% of the total costs of the project including vat up to a maximum of £17,766.

8.2 Hill Close Gardens Trust:

Hill Close Gardens Trust have successfully applied to the Heritage Lottery Fund (HLF) for a 46% grant up to a maximum of £78,000 towards an overall three phase project:

1. Build an extension to the existing visitor centre;

Capital for an empty building	=	£84,645
Associated professional fees	=	£6,500
Overall phase 1 project cost	=	£91,145

2. Equip and fit out the extension;

Capital for equipment etc	=	£27,090
Associated fees	=	£11,483
Approx. overall phase 2 project cost	=	£38,573

3. Staff and volunteer training, employ a community outreach worker, contingency;

Approx. overall phase 3 project cost	=	£38,026
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Total estimated project cost	=	£167,744
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Hill Close Gardens Trust has submitted a RUCIS application towards the phase 1 project of extending the visitor centre; the application is for 33% of the total project costs up to a maximum of £30,000 excluding vat.

Hill Close Gardens Trust has committed £12,218 to the phase 1 project costs from their cash reserves; these funds have been evidenced through their annual accounts and the provision of recent bank statements.

The HLF grant contribution to the phase 1 project is £41,927.

Hill Close Gardens Trust have successfully applied for a £2,000 grant from the Warwick Society for the phase 1 project.

Hill Close Gardens Trust have made a formal request to Warwick Town Council for a £5,000 financial contribution to the phase 1 project; they are now waiting for a decision. If the application is declined or a lower amount agreed, Hill Close Gardens Trust will cover the budget shortfall with funds from their cash reserve; these funds have been evidenced through their annual accounts and the provision of recent bank statements.

Hill Close Gardens Trust are VAT registered (number 855 2887 82) and will be reclaiming vat in connection to this project therefore the award will be excluding vat.

Phase 2 funding plan:

○ HLF grant	=	£17,744
○ Organisations own funds	=	£12,829
Phase 2 total amount to-date	=	£30,573
Estimated remaining amount required	=	£8,000

A grant application for the phase 2 project has been made to:

○ Garfield Weston Foundation	=	£8,000
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If the Garfield Weston Foundation application is declined or a lesser amount offered the shortfall will be covered by the Trust's cash reserves which have been evidenced through provision of their annual accounts and recent bank statements although other grant applications will likely be made to retain cash reserves.

This will ensure completion of the phase 2 project which will then deliver all the associated benefits of having additional visitor and community group space.

Hill Close Gardens Trust have never previously had a RUCIS grant award.

It is therefore recommended that the Executive approves an award of a Rural / Urban Capital Improvement grant to Hill Close Gardens Trust of 33% of the total costs of the phase 1 project excluding vat up to a maximum of £30,000.