

 Executive – 3rd September 2015		Agenda Item No. 7
Title	Rural/Urban Capital Improvement Scheme (RUCIS) Application	
For further information about this report please contact	Jon Dawson Finance Administration Manager 01926 456204 e mail: jon.dawson@warwickdc.gov.uk	
Wards of the District directly affected	Leek Wootton (Shrewley)	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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. Rural/Urban Capital Improvement Application file no. 206 onwards; correspondence with Applicant.	

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	17.08.2015	Chris Elliott
Head of Service	17.08.2015	Mike Snow
CMT	17.08.2015	Chris Elliot, Bill Hunt and Andy Jones
Section 151 Officer	17.08.2015	Mike Snow
Monitoring Officer	17.08.2015	Andy Jones
Finance	17.08.2015	Mike Snow
Portfolio Holder(s)	17.08.2015	Cllr Whiting
Consultation & Community Engagement		
Community Partnership Team and Manoj Sonecha (Active Communities Officer); Copy of report forwarded 6 th August 2015.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report provides details of a Rural/Urban Capital Improvement Scheme grant application by Shrewley Village Hall to refurbish their kitchen that has now come to the end of its life span.

2. **Recommendation**

- 2.1 It is recommended that the Executive approves a Rural/Urban Capital Improvement Grant from the rural cost centre budget for Shrewley Village Hall of 50% of the total project costs to refurbish their kitchen that has now come to the end of its life span, as detailed within paragraphs 1.1, 3.2 and 8.1, up to a maximum of £8,154 including VAT.

As supported by appendix 1.

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 grant recommended is in accordance with the Council's agreed scheme and will provide funding to help the project progress.
- 3.2 This project contributes to the Council's Sustainable Community Strategy as without the Village Hall there would be fewer opportunities for the community to enjoy and participate in arts, cultural and physical activities which could potentially result in an increase in anti-social behaviour and disengage and weaken the community. If the kitchen isn't refurbished the facility will eventually need to be closed on Health & Safety grounds which would likely lead to reduced bookings and impact on the financial viability of the hall, detrimental effects may include:
- Potential increase in anti-social behaviour as there would be less opportunity for the community to participate in arts and cultural activities; currently there are regular garden society meetings, social club nights, "live and local" performances and ad-hoc events such as quiz nights, barn dances, flower shows etc which would cease if the hall became unviable
 - Potential increase in obesity, including in children, as there will be less opportunity for the community to be active; currently there are weekly keep fit classes and children's dance classes which would cease if the hall became unviable
 - Potential disengagement and weakening of the community; the club is managed and run by a wide range of volunteers from across the community and the activities noted above bring people together from across the community which would cease if the hall became unviable

4. Policy Framework

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

- Community Engagement & Cohesion (including Families at Risk)
- Targeting disadvantaged rural locations
- Reducing inequalities

5. Budgetary Framework

5.1 The budget for the Rural/Urban Capital Improvement Scheme applications for 2015/16 is £150,000 (£75,000 for rural projects and £75,000 for urban projects).

5.2 In addition there is the unallocated budget from 2014/2015 of £131,040 which sits within a separate cost centre budget; this could then be used for either rural or urban schemes once the 2015/16 budget has been used.

5.3 There is £67,360 available to be allocated for Rural/Urban Capital Improvement Scheme Grants from the rural cost centre budget in 2015/16. If the application within this report from Shrewley Village Hall of 50% of the total project costs, up to a maximum of £8,154 is approved, £59,206 will remain in the rural cost centre budget.

5.4 There is £46,005 available to be allocated for Rural/Urban Capital Improvement Scheme Grants from the urban cost centre budget for 2015/16.

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 Shrewley Village Hall has submitted a RUCIS application to refurbish their kitchen that has now come to the end of its life span. The application is for 50% of the total project costs up to a maximum of £8,154.

8.2 Shrewley Village Hall has committed £8,054 to the project from their cash reserves. These funds have been evidenced through their annual accounts and the provision of a recent bank statement; a current snapshot of the account shows cash reserves of £17,653 before deduction of the club's contribution to the project.

8.3 Shrewley Village Hall is not vat registered; they will not be reclaiming vat in connection to this project therefore the award will be including vat.

8.4 The RUCIS scheme allows for the applying organisations remaining cash reserves to be no more than one year's operating costs; this criterion was added to the scheme in 2013 to prevent organisations that are easily able to afford to pay for projects themselves from obtaining a grant thus retaining budget for organisations that are not financially as well placed.

- The recent bank statement provided (dated 20th July 2015) shows an account balance of £17,653
- After deduction of the Village Hall's £8,054 contribution to the project (49.4%) the remaining bank balance would be £9,499
- This amount is higher than the £7,272 operating costs noted in the most recent accounts provided (2013)
- However, the current bank statement is simply a snapshot of finances at this point of the financial year. In the 2013 accounts the "cash at bank" figure is noted as £15,523; if we deducted the Village Hall's £8,054 contribution to the project (49.4%) from this amount the remaining figure of £7,469 is only £197 higher than the 2013 operating costs.

I am therefore satisfied that the hall's cash reserves meet the spirit of the scheme criteria.

8.5 Three separate quotes have been provided; an initial review of the quotes appeared to show that the Village Hall was choosing the most expensive of the three quotes as their preferred supplier ("company A"). This has been challenged and a rationale for this obtained; closer scrutiny of the quotes shows that there are slight differences in what is supplied and when adjustments are made to reflect this "company A" are the second cheapest by a negligible amount of £286. The Village Hall have chosen "company A" rather than the slightly cheaper best quote as "company A" have been more diligent in their assessment of requirements and the quotation provided. I am therefore satisfied that the preferred supplier/quote meets the spirit of obtaining three separate quotations to ensure best value.

8.6 Shrewley Parish Council has agreed to contribute £100 towards the project.

8.7 Shrewley Village Hall has previously had RUCIS grants:

- June 2008 - 50% grant awarded which equated to £14,500 for a new ceiling and an extension.
- April 2010 – To enable the ceiling and extension project to be completed a further award of £8,915 was approved. This was to pay for additional electrical work required due to the new ceiling and to cover an increase in labour and material costs for the extension.
- January 2011 – During the final stages of the extension a major issue was discovered with regards to the existing sewer drains; they were found to be broken and had been leaking into the soil for a number of years. An additional grant was required to stop the closure of the Hall on health and safety grounds; an award of £5,573 was approved.

- March 2013 – 48% grant awarded which equated to £1,100 to reinforce the driveway at the side of the hall to improve access to the rear field for outdoor summer events and provide an additional parking area for all-year round indoor events.

This application meets the criteria whereby after a successful grant award an organisation must wait for a minimum of 2 years before re-applying for a new grant.

It is therefore recommended that the Executive approves an award of a Rural / Urban Capital Improvement grant to Shrewley Village Hall of 50% of the total cost of the project including vat subject to a maximum of £8,154.