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| <b>Title</b>  | Rural/Urban Capital Improvement Scheme (RUCIS) Application  |
| <b>For further information about this report please contact</b>   | Jon Dawson<br>Finance Administration Manager<br>01926 456204<br>email: <a href="mailto:jon.dawson@warwickdc.gov.uk">jon.dawson@warwickdc.gov.uk</a> |
| <b>Wards of the District directly affected</b>  | Old Milverton & Blackdown, Milverton, Shrewley  |
| <b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b> | No  |
| <b>Date and meeting when issue was last considered and relevant minute number</b>   | N/A   |
| <b>Background Papers</b>  | RUCIS Scheme details.<br>RUCIS Application file no. 249 to 251 correspondence with applicants.  |

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

| <b>Officer/Councillor Approval</b>  |             |  |
|---|-------------|--|
| <b>Officer Approval</b>   | <b>Date</b> | <b>Name</b>                            |
| Chief Executive/Deputy Chief Executive  | 27.1.20     | Chris Elliott                          |
| Head of Service   | 27.1.20     | Mike Snow                              |
| CMT   | 27.1.20     | Chris Elliot, Bill Hunt and Andy Jones |
| Section 151 Officer   | 27.1.20     | Mike Snow                              |
| Monitoring Officer  | 27.1.20     | Andy Jones                             |
| Finance   | 27.1.20     | Mike Snow                              |
| Portfolio Holder(s)   | 27.1.20     | Cllr Hales                             |
| <b>Consultation &amp; Community Engagement</b>  |             |  |
| Community Partnership Team, Manoj Sonecha (Active Communities Officer), Stuart Winslow (Sports and Leisure Contract Manager), David Guilding (Arts Manager) and Chloe Johnson (Arts Collections and Engagement Manager), Carol Sleight (Arts Officer); Copy of report forwarded 9 <sup>th</sup> January 2020. |             |  |
| <b>Final Decision?</b>  | Yes/No      |  |
| <b>Suggested next steps (if not final decision please set out below)</b>  |             |  |

## **1. Summary**

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

- Leamington Cricket Club to refurbish both the gents and ladies' toilets, to include; remove existing toilets and replace with new water saving toilets, replace taps on existing sinks with new eco models, replace the existing hand dryers with new energy saving eco models, remove existing vinyl flooring and replace with new non-slip flooring and paint throughout.
- Leamington RFC to install two new pitch shelters and septic tank and carry out lounge improvements to include; install an internal sliding partition into the lounge area, extend the existing outside seating space linking this with the use of double glazed opening conservatory style doors, replace rotten windows throughout the clubhouse and install adequate alarm security.
- Shrewley Parish Parents to install a new playground in the grounds of Shrewley Village Hall.

## **2. Recommendation**

**2.1** It is recommended that the Executive approves a Rural/Urban Capital Improvement Grant for:

### **Leamington Cricket Club**

Leamington Cricket Club of 80% of the total project costs to refurbish both the gents and ladies' toilets, to include; remove existing toilets and replace with new water saving toilets, replace taps on existing sinks with new eco models, replace the existing hand dryers with new energy saving eco models, remove existing vinyl flooring and replace with new non-slip flooring and paint throughout, as detailed within paragraphs 1.1, 3.2 and 8.1, up to a maximum of £4,496 including vat subject to receipt of the following:

- Written confirmation from Leamington Town Council to approve a capital grant of £500 (if the application is declined or a reduced amount is offered the budget shortfall will be covered by Leamington Cricket Club's cash reserves which have been evidenced through their annual accounts and the provision of recent bank statements)

As supported by appendix 1.

### **Leamington RFC**

Leamington RFC of 39% of the total project costs to install two new pitch shelters and septic tank and carry out lounge improvements to include; install an internal sliding partition into the lounge area, extend the existing outside seating space linking this with the use of double glazed opening conservatory style doors, replace rotten windows throughout the clubhouse and install adequate alarm security, as detailed within paragraphs 1.1, 3.2 and 8.2, up to a maximum of £28,000 including vat subject to receipt of the following:

- Written confirmation from Old Milverton & Blackdown Parish Council to approve a capital grant of £100 (if the application is declined or a reduced amount is offered the budget shortfall will be covered by Leamington RFC's cash reserves which have been evidenced through their annual accounts and the provision of recent bank statements)

As supported by appendix 2.

### **Shrewley Parish Parents**

Shrewley Parish Parents of 50% of the total project costs to install a new playground in the grounds of Shrewley Village Hall, as detailed within paragraphs 1.1, 3.2 and 8.3, up to a maximum of £16,283 including vat subject to receipt of the following:

- Written confirmation from Garfield Weston Foundation to approve a capital grant of £8,782 (or an alternative grant provider if the application is declined or a reduced amount is offered)
- Written confirmation that insurance cover has been taken out to cover the new facility

As supported by appendix 3.

### **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 All three projects contribute to the Council's Fit for the Future Strategy;

### **Leamington Cricket Club**

Without the cricket club there would be fewer opportunities for the community to enjoy and participate in sports activities which could potentially result in disengaging and weakening the community and an increase in anti-social behaviour and obesity. The project work will up-date and modernise the club's toilet facilities which will allay any health & safety concerns and will save on current drainage and plumbing maintenance costs which in turn will enable the club to keep membership and hire fees as low as possible. The project is also an opportunity to help the environment/climate change through installing water saving toilets and taps and eco-friendly hand dryers.

### **Leamington RFC**

Without the club there would be fewer opportunities for the community to enjoy and participate in sports activities which could potentially result in disengaging and weakening the community and an increase in anti-social behaviour and obesity (including in children). The project will increase opportunities to participate in social and community activities/events which will further strengthen and engage the community. Without the project the septic tank won't be replaced and besides not conforming to government regulations it will also mean a reduction in opportunities to participate and enjoy sporting and social activities as there will be occasions where the clubhouse will have to

close to maintain the current tank which is basically now at the end-of-life. Replacing the septic tank will also reduce maintenance costs which in turn will enable the club to keep membership and hire fees as low as possible.

### **Shrewley Parish Parents**

Currently there is no children's playground facility in Shrewley; the project will deliver this facility which will help to reduce disadvantage in a rural area, anti-social behaviour and obesity in children. The project will also increase opportunity for physical activity and will help to further strengthen and engage the community by providing a focal point in the village for families to gather, meet each other and strengthen their support networks. There are also opportunities for more local people to get involved in volunteering to support the project and, once the playground is in place, through joining the maintenance rota to help take care of the site and equipment in the years to come.

## **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.

| <b>FFF Strands</b>   |  |  |
|--|--|--|
| <b>People</b>  | <b>Services</b>  | <b>Money</b>   |
| <b>External</b>  |  |  |
| <b>Health, Homes, Communities</b>  | <b>Green, Clean, Safe</b>  | <b>Infrastructure, Enterprise, Employment</b>  |
| <u>Intended outcomes:</u><br>Improved health for all<br>Housing needs for all met<br>Impressive cultural and sports activities<br>Cohesive and active communities    | <u>Intended outcomes:</u><br>Area has well looked after public spaces<br>All communities have access to decent open space<br>Improved air quality<br>Low levels of crime and ASB | <u>Intended outcomes:</u><br>Dynamic and diverse local economy<br>Vibrant town centres<br>Improved performance/productivity of local economy<br>Increased employment and income levels |
| <b>Impacts of Proposal</b>   |  |  |
| All RUCIS applications are designed to encourage and support local communities and local not-for-profit organisations in developing cohesive and active communities. | 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.             | N/A  |

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| The details behind this are set out in appendices 1, 2 and 3.   | The details behind this are set out in appendices 1, 2 and 3.   |   |
| <b>Internal</b>   |   |   |
| <b>Effective Staff</b>  | <b>Maintain or Improve Services</b>   | <b>Firm Financial Footing over the Longer Term</b>  |
| <u>Intended outcomes:</u><br>All staff are properly trained<br>All staff have the appropriate tools<br>All staff are engaged, empowered and supported<br>The right people are in the right job with the right skills and right behaviours | <u>Intended outcomes:</u><br>Focusing on our customers' needs<br>Continuously improve our processes<br>Increase the digital provision of services | <u>Intended outcomes:</u><br>Better return/use of our assets<br>Full Cost accounting<br>Continued cost management<br>Maximise income earning opportunities<br>Seek best value for money |
| <b>Impacts of Proposal</b>  |   |   |
| 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 Rural/Urban Capital Improvement Scheme applications for 2019/20 is £150,000.
- 5.2 There is £105,406 remaining budget available to be allocated, if the applications from
- Leamington Cricket Club of 80% of the total project costs up to a maximum of £4,496 (including vat)
  - Leamington RFC of 39% of the total project costs up to a maximum of £28,000 (including vat)
  - Shrewley Parish Parents of 50% of the total project costs up to a maximum of £16,283 (including vat)

are agreed, £56,627 will remain in the RUCIS budget.

- 5.3 There is £4,296 available to be allocated for Rural/Urban Capital Improvement Scheme Grants from project underspends which have occurred within this financial year.

As per appendix 4.

## **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 Leamington Cricket Club has submitted a RUCIS application to refurbish both the gents and ladies' toilets, to include; remove existing toilets and replace with new water saving toilets, replace taps on existing sinks with new eco models, replace the existing hand dryers with new energy saving eco models, remove existing vinyl flooring and replace with new non-slip flooring and paint throughout.

Projects of less than £10,000 overall costs fall within the Small Grants category of the RUCIS scheme which has a maximum contribution of up to 80% of the overall project costs; the project cost is £5,620 (including vat) and therefore qualifies to apply for a grant of up to 80%.

The application is therefore for 80% of the total project costs up to a maximum of £4,496 including vat.

Leamington Cricket Club has committed £624 to the project costs from their cash reserves; these funds have been evidenced through their annual accounts and the provision of recent bank statements.

Leamington Cricket Club isn't registered for vat and therefore will not be reclaiming vat in connection to this project; the award will therefore be inclusive of vat.

An application has been made to Leamington Town Council for a contribution of £500 towards this project and is now awaiting a decision; if the application is declined the budget shortfall will be covered by Leamington Cricket Club's cash reserves which have been evidenced through their annual accounts and the provision of recent bank statements.

Leamington Cricket Club has previously had the following successful RUCIS grant:

- November 2016 - 80% grant awarded which equated to £7,977 to level the outfield on the junior / 3rd team pitch as this was not up to the required standard

The application therefore meets the scheme 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 Leamington Cricket Club of 80% of the total cost of the project including vat subject to a maximum of £4,496.

- 8.2 Leamington RFC has submitted a RUCIS application to install two new pitch shelters and septic tank and carry out lounge improvements to include; install an internal sliding partition into the lounge area, extend the existing outside seating space linking this with the use of double glazed opening conservatory style doors, replace rotten windows throughout the clubhouse and install adequate alarm security.

The application is for 39% of the total project costs up to a maximum of £28,000 including vat.

Leamington RFC has committed £500 to the project costs from their cash reserves; these funds have been evidenced through their annual accounts and the provision of recent bank statements.

An application has been made to Old Milverton & Blackdown Parish Council for a contribution of £100 towards this project and is now awaiting a decision; if the application is declined the budget shortfall will be covered by Leamington RFC's cash reserves which have been evidenced through their annual accounts and the provision of recent bank statements.

Leamington RFC have already successfully applied for financial contributions from two other grant providers; Viola Environmental Grant (£32,752) and Sports England (£10,000).

Leamington RFC is registered for vat (registration number 272935339) but will not be reclaiming vat in connection to this project; the award will therefore be inclusive of vat. We have received written confirmation of this from the club dated 15<sup>th</sup> December 2019 in the names of Chris Davis (Treasurer), John Lyons (Secretary) and John Hodgetts (House Chairman) as follows:

"Our understanding is that we are unable to recover the VAT and there are two factors at play:-

- The working presumption of the Revenue is that grants actually have an element of VAT embedded in them and it is therefore inappropriate to try and claim it back on the expenditure. Paragraph 2.4 of their guidance to sports clubs specifically states that "We strongly suggest that you budget for irrecoverable VAT when considering your future expenditure particularly when undertaking major projects. Applications for grants should take account of irrecoverable VAT"
- Paragraph 2.5 goes on to say - "You may incur VAT on goods or services you will use wholly for the purpose of a non-business activity. This VAT is not input tax and you cannot reclaim it." Non-business activity as explained to me is non-revenue generating activity and while some of what is proposed will arguably (although it's a tenuous argument) generate income some won't and trying to differentiate between the two and get the Revenue to agree that differentiation is beyond a relatively small Rugby Club.

If you look at the above two points together you will I think appreciate why the VAT is regarded as irrecoverable. We have a good relationship with HMRC (clean VAT spot check 4 years ago which means another is probably imminent) and if there is doubt about recoverability of VAT we err on the side of caution. An application has been made to Leamington Town Council for a contribution of £500 towards this project and is now awaiting a decision."

This issue has been considered by Council officers who agree it is best for the Club to err on the side of caution. However, if for some reason any of the VAT is recovered, so reducing the scheme costs, the grant will be reduced in line with normal grant conditions.

Leamington RFC has previously had the following successful RUCIS grants:

- £1,914 (50% of the total project costs) for replacing the drainage / sewage system in December 2010
- £3,013 (50% of the total project costs) for energy saving alterations to the cellar coolers in November 2011
- £36,000 (41% of the total project costs) for refurbishing toilets and changing rooms, building disabled toilets and creating disabled access to the main entrance in February 2014
- £21,525 (50% of the total project costs) for;
  - Project 1; Install additional floodlighting for third team training pitch to support rugby training/matches, football training and community events throughout the year.
  - Project 2:Green Plan to a) install new LED lighting, b) re-location of bar storage cellar to outside the building, c) new heating system to reduce costs for the club overall as part of a RFU green plan.
  - Project 3: Replacement of tractor powered mower to be able to maintain playing pitches.

Leamington RFC and Leamington Netball Club are one legal entity; for transparency, Leamington Netball Club has also previously had a successful RUCIS grant as follows:

- £30,000 (42% of the total project costs) to build a new courtside facility and raise the height of perimeter fencing in February 2016

The application therefore meets the scheme 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 Leamington RFC of 39% of the total cost of the project including vat subject to a maximum of £28,000.

- 8.3 Shrewley Parish Parents has submitted a RUCIS application to install a new playground in the grounds of Shrewley Village Hall.

The application is for 50% of the total project costs up to a maximum of £16,283 including vat.

Shrewley Parish Parents aren't registered for vat and therefore will not be reclaiming vat in connection to this project; the award will therefore be inclusive of vat.

Shrewley Parish Parents has committed £2,000 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.

Shrewley Parish Parents have already successfully applied for financial contributions from Shrewley Parish Council (£2,000) and two other grant providers; 29th May 1961 Charitable Trust (£3,000) and Lillie Johnson Trust (£500).

An application for a financial contribution has also been made to Garfield Weston Foundation towards this project and is now awaiting a decision; if the application is declined or a reduced amount offered the budget shortfall will need to be covered by an alternative grant provider before a successful award can be drawn down on.

Shrewley Parish Parents have not previously received a RUCIS grant, however, for transparency, Shrewley Village Hall who are providing the grounds for the playground to be installed onto have previously received the following 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.
- September 2015 - 50% grant awarded which equated to £8,154 to refurbish the kitchen.
- November 2017 – 80% grant awarded which equated to £2,947 to purchase 100 chairs to replace existing stock which was nearing the end of its life span.

It is therefore recommended that the Executive approves an award of a Rural/Urban Capital Improvement grant to Shrewley Parish Parents of 50% of the total cost of the project including vat subject to a maximum of £16,283.

