

 Executive, 18 March 2009		Agenda Item No.
Title	Grant Funding Review: Hill Close Gardens, Warwick.	
For further information about this report please contact	Paul Pinkney Head of Economic Development and Regeneration 01926 456016	
Service Area	Economic Development and Regeneration	
Wards of the District directly affected	Warwick Wards	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	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	Executive Report, 5 April 2004. Minute number: 1076.	
Background Papers	Executive Report: Hill Close Garden Trust Heritage Lottery Fund Application, 5 April 2004	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes - 167

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director	3/3/2009	Bill Hunt
Chief Executive	10/3/2009	Chris Elliot
CMT		
Section 151 Officer		Mary Hawkins
Legal	3/3/2009	Peter Oliver
Finance	10/3/2009	Mike Snow
Portfolio Holder(s)	9/3/2009	Cllr John Hammon
Consultation Undertaken		
Date and detail of meetings with Manager and Trustees Meeting with the Manager of Hill Close Gardens: 10/10/2008 Meeting with Trustees: 12/11/2008		
Final Decision?	No	
Suggested next steps: To report back to Executive detailing the result of the review process.		

1. **SUMMARY**

- 1.1 The purpose of this report is to agree a mechanism to review the grant fund and consider the level of financial support that Warwick District Council may provide in future to the Trustees of the Gardens. It is recommended that the Executive give the trustees of Hill Close Gardens notice that the proposed review of the grant will take effect the Council's financial year 10/11.

2. **RECOMMENDATION**

- 2.1 That the Executive formally reviews the annual grant that the Council gives to support Hill Close Gardens as a community resource, in consultation with the trustees.
- 2.2 That a report is brought back to Executive detailing the result of the review process as recommended in 2.1.
- 2.3 That the Executive formally notifies the trustees that a review of the grant funding will be entered into and, depending on the outcome of that review, funding may be reduced or withdrawn with effect from April 2010 (the start of the Council's financial year 10/11).

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The financial capacity of the Council has been negatively impacted by a number of factors including the economic downturn. It is, therefore, prudent that the Council reviews the funding that it makes available to external organisations through the Economic Development and Regeneration budget. This review is part of the wider Budget and Improvement Programme (BIP) that the Council is progressing. It should be noted that it is not proposed that any additional funding will be made available to the organisation.
- 3.2 Warwick District Council, the owner of the Hill Close Gardens site, has been a key supporter in the regeneration of the Gardens into a unique and popular visitor attraction Warwick town centre. The Trustees of Hill Close Gardens have been in receipt of financial support from a number of organisations whilst the site was under physical redevelopment; these have included the Big Lottery Fund, Advantage West Midlands and others including the Council.
- 3.3 It is appropriate at this time to review the funding and support that Warwick District Council gives to Hill Close Gardens. The Gardens have progressed from being a regeneration project to a visitor attraction and with this the level and type of support that it requires has also changed. The Trustees recognise this and have already started the transition, developing a business plan which will reflect the operational role of the Gardens as a visitor attraction. It is appropriate that the Council supports the trustees through this transitional phase. However, it is also important that Warwick District Council review the role that they play as the Gardens take on more of an operational visitor attraction. It is also necessary for the review to consider the ability for the Gardens to progress the strategic objectives of the Council through this investment.
- 3.4 The type of support that the Council can give to an operating visitor attraction is already under review. Support from the town centre management function has led to the proposal of an 'Open Gardens' event for Warwick which would raise the profile of visitor attractions such as Hill Close Gardens. Indeed, early discussions

have taken place to consider the feasibility of this with the gardens in the town centre (including Hill Close Gardens). The Council is also committed to the development of additional funding streams for marketing and promoting local visitor attractions through the Warwick Business Improvement District proposals or a refocus of existing resource as necessary.

- 3.5 Through discussions with the Trustees of the Gardens it has become clear that the grant funding arrangement is not attractive to either party (the Council or Trustees). It is clear that the funding is closer to that of a contract for the delivery of services and both parties have indicated a willingness to consider committing to a more formal agreement. This would, in effect, give both parties more certainty and introduce a more effective management mechanism. If it is further developed through a robust action plan it will lead to greater transparency and understanding of the Trusts ongoing requirements.
- 3.6 Warwick District Council has entered into a voluntary compact in relation to grant funding for voluntary organisations which means that any reduction in grant would be delayed by a year. It is proposed, therefore, that the Council alert the Trustees that a review of the funding will take place and that any reduction or removal of the grant will take place at the start of the financial year 10/11 (i.e. take effect from 1 April 2010).
- 3.7 The Trustees of Hill Close Gardens are continuing to secure other sources of income, such as the recently secured £8,720.00 from the Awards for All grant (part of the Big Lottery Fund). This has been secured for operational projects, such as training volunteers, fresh educational opportunities and to allow the Trustees to be more adventurous investment in Victorian games and costumes.

4. ALTERNATIVE OPTION CONSIDERED

- 4.1 That the Council continue to provide the grant funding in the same way that it has in the past. This option would not give the Council the opportunity to carry out an effective review of services and may mean that other higher priority areas cannot be funded. A number of issues are having a negative impact on the financial resources that are available to the Council, including the economic downturn. It is prudent for the Council to review the level of funding and management of funds that it makes available to external organisations through the Economic Development and Regeneration budgets.
- 4.2 Continue to fund the Gardens as agreed, but review the situation in the future. The Council has agreed to a voluntary compact which means that any reduction in funding would have to be delayed by one financial year, if the trustees are not informed of the review. This would mean that there would be a time lag between the outcome of the review and the financial effects.
- 4.3 The Council could take the laissez faire view that Hill Close Gardens has been operated successfully for a number of years under the agreement as it stands and that it should continue to operate as it has done. However, this would mean that the opportunity to establish a more formal management agreement would be missed (should the Council decide that it would like to continue making a financial contribution).

5. BUDGETARY FRAMEWORK

- 5.1 The table below shows the schedule of grant funding that was previously agreed between the Council and the Hill Close Gardens trustees.

YEAR	VALUE OF GRANT
2006/2007	£12,500
2007/2008	£25,000
2008/2009	£25,000
2009/2010	£25,000
2010/2011	£25,000
2011/2012	£25,000
2012/2013	£20,000
2013/2014	£12,500
2014/2015	£7,500
2015/2016	£2,500
2016/2017	£0 End of Grant

- 5.2 It is proposed that the review will not increase the funding grant that is currently made to the trustees of Hill Close Gardens. Therefore, there will be no additional financial implications for Warwick District Council.

6. POLICY FRAMEWORK

- 6.1 The proposals above are within the framework of the voluntary compact that Warwick District Council has entered into with voluntary organizations when agreeing grant funding.
- 6.2 The proposed review of the Hill Close Gardens Grant is part of the wider Budget and Improvement Programme (BIP) that the Council is progressing
- 6.3 The proposal is within the policy framework set out in the Corporate Strategy 2008 - 2011:

Vision: "Warwick District: a great place to live work and visit."

Development

- create thriving town centres, keep pleasant villages and make the district an attractive place to live and work