



Grant Working Party 31 March 2011

Review of Grant Terms and Conditions for the Recreation, Village Halls and Play Area Grant Scheme and the Rural Areas Community Initiatives Fund

1. Background

- 1.1 On 8 March 2011, the Grant Working Party considered Reports B495 'Grants Policy Relating to Recreation, Village Halls and Play Area Grant Scheme (RVHPAGS) Funding' and B496 'Review of the Rural Areas Community Initiatives Funds (RACIF) Terms and Conditions'. Since the two reports are intrinsically linked, and any decision made about one grant fund affects the other, Members asked officers to produce one combined report for a specifically arranged Grant Working Party meeting.

2. Current situation

- 2.1 For the RVHPAGS the minimum grant available is £5,000 with no maximum. Applicants are able to apply for a maximum of 50% of the total project cost, and cannot apply again within three years of a previous approval by the Council. This three-year rule was approved by Full Council on 1 March 2011 and the Grants Policy will be amended to reflect this.
- 2.2 For the RACIF, the minimum grant available is £500 and the maximum is £5,000. Applicants are able to apply for a maximum of 50% of the total project cost, and cannot apply again within two years of a previous approval by the Council (although currently this rule does not apply to Parish Councils, who can apply as many times as they wish).
- 2.3 At the Grant Working Party meeting of 8 March 2011, Members asked officers to analyse grants approved over the last two years, in order to illustrate the impact of changes to the minimum and maximum criteria. These statistics form Appendix A of this report.
- 2.4 In summary, Appendix A tells us that as at March 2011:-
- (a) for the RACIF, in 2010/2011, all 12 grants approved were less than £3,500. Only two of the nine projects approved for 2009/2010 were over £3,500; and
 - (b) for the RVHPAGS, out of the 15 grants approved over the last two financial years 2009/2010 and 2010/2011, the maximum grant awarded was £8,000.

3. Scenarios

- 3.1 If a **£2,500 maximum** had been in place for the RACIF in the last two years, then:-
- (a) in 2009/2010, three grants out of the nine approved (totalling £13,000) would have been processed through the RVHPAGS instead;
 - (b) in 2010/2011, three grants out of the 12 approved (totalling £9,399.84) would have been processed through the RVHPAGS instead; and
 - (c) this would have resulted in an additional £22,400 now being available to the RACIF but a potential deficit on the RVHPAGS.
- 3.2 If a **£3,000 maximum** had been in place for the RACIF in the last two years, then:-
- (a) in 2009/2010, two grants out of the nine approved (totalling £10,000) would have been processed through the RVHPAGS instead;
 - (b) in 2010/2011, two grants out of the 12 approved (totalling £6,682) would have been processed through the RVHPAGS instead; and
 - (c) this would have resulted in an additional £16,682 now being available to the RACIF but a potential deficit on the RVHPAGS.
- 3.3 If a **£3,500 maximum** had been in place for RACIF in the last two years, then:-
- (a) in 2009/2010, two grants out of the nine approved (totalling £10,000) would have been processed through the RVHPAGS instead;
 - (b) in 2010/2011, all of the 12 grants approved would still have been processed through the RACIF; and
 - (c) this would have resulted in an additional £10,000 now being available to RACIF with the same amount reduced from the RVHPAGS budget.
- 3.4 If a **£4,000 maximum** had been in place for RACIF in the last two years, then the situation would have been identical to scenario in Section 3.3 above.
- 3.5 Over the last two financial years, 2009/2010 and 2010/2011, the highest grant approved in either scheme was £8,000 for the RVHPAGS. Therefore if there had been a maximum grant of £10,000 this would not have affected any applicant.

4. Options for change

- 4.1 As explained at the previous meeting, it is felt that, in order to extend the impact of the remaining funding, a lower maximum grant should be introduced for the RACIF, which would require a corresponding change to the minimum grant for the RVHPAGS. The options suggested by officers are:-

Option 1: no minimum for the RACIF and a maximum of £2,500. A minimum of £2,501 for the RVHPAGS and a maximum of £10,000.

Option 2: no minimum for the RACIF and a maximum of £3,000. A minimum of £3,001 for the RVHPAGS and a maximum of £10,000.

Option 3: no minimum for the RACIF and a maximum of £3,500. A minimum of £3,501 for the RVHPAGS and a maximum of £10,000.

Option 4: no minimum for the RACIF and a maximum of £4,000. A minimum of £4,001 for the RVHPAGS and a maximum of £10,000.

- 4.2 Options 3 and 4 are the preferred options. Appendix A shows that no applicant in 2010/2011 would have been disappointed had either set of these minimum and maximum rules applied. These options also achieve a good balance between extending the number of RACIF applications which can potentially be considered while not having too significant an impact on the RVHPAGS funding pot. Officers would monitor applications to ensure that a disproportionate amount of officer time is not taken on grant applications under £500.

5. Additional Considerations

- 5.1 **Email voting system:** in addition to one of the options above, the officers suggest that the present email voting system be retained at £5,000 and extended to cover both grant schemes. This will ensure that applications for grants of £5,000 or less are dealt with swiftly and efficiently. If the £5,000 threshold is not maintained (and extended to RVHPAGS) it will mean applicants just falling into the RVHPAGS funding pot could potentially have to wait up to 15 weeks to have the application determined, compared to the current two weeks for sums up to £5,000. Should this amendment be agreed by Council, the Grants Policy will be altered accordingly; all grants up to £5,000 administered under the RVHPAGS will no longer require Cabinet approval.
- 5.2 **Match-funding percentage:** Grants are currently available on an up to 50% (of the total project cost) match-funding basis. In line with discussions at the previous Grant Working Party meeting it is proposed that for the RVHPAGS the maximum grant be reduced to a maximum of 40%, or £10,000, whichever is the lesser amount. This ensures that no one scheme can secure a disproportionate amount of the funding available. Officers suggest that the 50% maximum figure be retained for the RACIF as the projects involved are on a smaller scale. However, for both schemes it should be made clear that the maximum percentage excludes VAT for those organisations who are able to reclaim the VAT element.

- 5.3 **Timescales regarding applicants reapplying:** currently community groups can apply once every two years to the RACIF and Parish Councils can apply as often as they wish. Members may wish to amend this so that the two-year rule applies to Parish Councils as well. Officers feel that this is an appropriate timescale for small-scale projects.
- 5.4 Under the terms of the RVHPAGS, applicants are not able to reapply for funding within three years of a previous approval. Officers feel that this is an appropriate timescale for larger projects.

6. Recommendations

6.1 It is **RECOMMENDED** that:-

- (1) one of the four options listed in Section 4.1 of Report B529, be approved;
- (2) the email voting system be retained for awarding grants up to £5,000, and extended to cover both the Recreation, Village Halls and Play Area Grant Scheme (RVHPAGS) and the Rural Areas Community Initiatives Fund (RACIF) grant scheme (with the amended maximum grant available from the RACIF), and the Council's Grants Policy be amended accordingly as detailed in Section 5.1 of Report B529;
- (3) the level of match-funding for the RVHPAGS be set at a maximum of 40% of the total project cost or £10,000, whichever is the lesser figure, but maintained at maximum of 50% for the RACIF, as detailed in Section 5.2 of Report B529;
- (4) total project cost for match-funding purposes excludes VAT for those groups that can reclaim it, as also detailed in Section 5.2 of Report B529; and
- (5) Members consider if they wish to apply the two-year timescale for re-applications to the RACIF to Parish Councils as well as community groups, as detailed in Section 5.3 of Report B529.

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Statistics of grants approved for 2009-10 and 2010-11

Rural Areas Community Initiatives Fund grants approved			
2009-10		2010-11	
1	£1,208.00	1	£1,000.00
2	£1,750.00	2	£750.00
3	£5,000.00	3	£2,000.00
4	£1,767.63	4	£2,717.84
5	£500.00	5	£2,083.67
6	£500.00	6	£2,374.00
7	£3,000.00	7	£3,427.00
8	£5,000.00	8	£675.00
9	£1,585.00	9	£3,255.00
		10	£2,300.00
		11	£1,000.00
		12	£1,171.80
Total = £20,310.63		Total = £22,754.31	
Average grant = £2,256.74		Average grant = £1,896.19	

Please note: No.s 10, 11 and 12 above were not included in the Rural Areas Community Initiatives Fund budget attached to report B496 at the Grant Working Party Meeting on 8 March 2011 because these grants were approved subsequent to the budget being updated for the report.

Recreation, Village Halls and Play Area grants approved			
2009-10		2010-11	
1	8,000.00	1	4,810.00
2	5,000.00	2	7,500.00
3	4,000.00	3	8,000.00
4	5,000.00	4	5,200.00
5	6,000.00	5	7,500.00
6	5,000.00	6	5,000.00
7	7,500.00	7	4,000.00
		8	5,000.00
Total = £40,500.00		Total = £47,010.00	
Average grant = £5,785.71		Average grant = £5,876.00	