

Rural Area Working Party 30 September 2010

Review of Rural Area Funding: final report

Purpose of the report

The purpose of the report is to:-

- (i) report the findings of the review of rural area funding; and
- (ii) consider the sub-group's recommendations to Cabinet regarding the future of rural area funding.

1. Background and context

- 1.1 At its meeting on 21 January 2010, the Working Party discussed and agreed the membership of a sub-group to look at the Council's funding arrangements for rural areas. The aim of the sub-group was to provide Cabinet with recommendations for a sustainable funding strategy for the rural areas with a view to advising Cabinet on a new funding strategy in time for 2011/2012 budget setting.
- 1.2 Members of the sub-group were:- Councillor Sarah Broughton, Councillor David Chappell, Councillor Derek Redhead, and Councillor Jim Thorndyke.
- 1.3 This sub-group met twice between March and June 2010 and corresponded via email between meetings. This report details the findings and recommendations of the sub-group.
- 1.4 It is worth noting that this review was commissioned and will be substantively completed prior to the Government's Comprehensive Spending Review in October when large cuts are expected. The deliverability of any proposals to Cabinet relating to grants and funding streams, rural or otherwise, must therefore be seen in this wider context.

2. Purpose of the rural area funding review

- 2.1 As outlined above, the purpose of the review was to provide Cabinet with recommendations for a sustainable funding strategy for the rural areas. The sub-group looked in particular at:- (i) the range of grant support for rural organisations and projects; and (ii) revenue and capital spending targeted

specifically at rural areas. The sub-group did not examine the delivery of services in rural areas, as it was agreed that this would be too broad an area for examination and would cut across other items in the Working Party's Work Programme. The sub-group considered how the Council provides targeted financial support to rural communities alongside the services it provides itself.

3. Issues considered: existing funding provided by the Council

3.1 The starting point was for the sub-group to consider the rural funding currently offered by the Council (see paragraph 1.4 above). In particular, the sub-group discussed the aims and objectives of each of these funding streams in order to identify the benefit of such funding to the Council and its communities. Details of these funding streams are contained in Appendix A. Please note this information was correct as at March 2010 when it was considered by the sub-group.

3.2 As a result of its discussions about the current funding streams provided by the Council the sub-group made the following recommendations:-

- (i) **Grants to Parish Councils** (*£157,500 for 2010/2011*): This grant was reviewed in 2009/2010 and as a result is already subject to a reduction and a cap in 2010/2011 and 2011/2012. The sub-group does not therefore believe that a further reduction is necessary.
- (ii) **Village Halls, Play and Recreation Areas** (*£62,457.58 for 2010/2011*): The sub-group consider that this is a worthwhile funding stream which supports a range of projects. Funding should therefore be retained.
- (iii) **Rural Area Community Initiatives Fund (RACIF)** (*£43,340 to end of 2011*): The sub-group believe that this is a useful fund as it provides a mechanism for groups to apply for smaller sums of money. Furthermore, the match-funding requirements and quick decision making process make it an attractive fund for communities. The sub-group would wish to see this funding stream retained after 2011.
- (iv) **Rural Action Plan Fund** (*£100,000 for 2008-2011*): The sub-group believe that this provides a useful funding scheme for revenue and capital projects and would like this retained after 2011.
- (v) **Suffolk Rural Economy Scheme** (*£5,000 for 2010/2011*): This scheme draws in a lot of additional match funding to the area. For instance in 2009/2010 applicants in St Edmundsbury received £22,082 from the scheme, which included match funding. As such, the sub-group considered that the scheme provides value for money and the Council's support should be retained.
- (vi) **Rural Rate Relief Scheme**: The scheme provides a range of support to businesses in the rural areas and should therefore be retained. The sub-group believe that no changes be made to the scheme.

- (vii) **In Bloom funding** (*£4,000 for 2010/2011*): The sub-group believe that this funding stream should be removed with the funding added to the RACIF scheme. The sub-group believe that if communities wish to bid for funding for In Bloom projects then these bids should be considered as part of the RACIF scheme.
- (viii) **Christmas Lights** (*£3,000 in 2009/2010*): Similar to the In Bloom funding, the sub-group agreed that this money should no longer be provided as a separate fund and that the money should be transferred to the RACIF fund with communities bidding as part of this scheme.
- (ix) **Brecks Partnership and Dedham Vale and Stour Valley Projects** (*a total of £26,910 for both in 2010/2011*): It was noted that funding has been agreed for the Brecks Partnership over three years, and Dedham Vale Project over two years. The sub-group questioned the value of supporting both these projects and felt that it is not clear what the benefit is to St Edmundsbury. It was noted that the Council is required to give 12 months notice of its intention to withdraw from either agreement. The sub-group recommends that Cabinet review both funding streams.

4. Issues considered: alternative funding streams

4.1 In addition, to the current funding streams on offer by the Council, the sub-group also considered the following alternative funding streams:

- (i) **Rural Locality Budgets:** Using the current funding streams available, as outlined in Appendix A, the sub-group modelled the likely level of funding which might be available via 'locality budgets'. To assist with discussions, the sub-group looked at the current funding streams provided on an annual basis and divided the total by the 18 rural wards. Based on the assumption that, at best, there would be no increase in the amount of money available, the sub-group agreed that a rural locality budget would not be suitable as the level of funding which could potentially be provided was too small, particularly support for capital projects. It was agreed that the current system should be retained, whereby Councillors supported communities to access funding.
- (ii) **European Union (EU) funding:** The sub-group considered the EU funding streams that are applicable in the rural areas. It was noted that Rural Development Programme for England (RDPE) is available for non-public sector organisations in the Brecks area and several businesses have accessed this funding. It was felt that sufficient opportunities area available to access EU funding. Further information on EU funding opportunities is contained in Appendix B.
- (iii) **Support for Parish Council Elections in 2011:** The Council has previously offered a subsidy for contested election costs, see Appendix C, and a decision is needed by the Autumn. Parishes are aware of the potential withdrawal of the funding, although this is not likely to be a widespread issue in the rural area; the main decision is in fact whether to meet the costs of the two town councils, as these elections are usually all contested and the most expensive to run due to the numbers of electors involved. The sub-group therefore feels that, as a Borough-wide issue

which impacts mainly on towns, this is outside of its main remit and is a matter for Cabinet to determine as part of budget-setting for 2011/2012.

5. Recommendations

5.1 In light of the sub-group's findings, the Working Party is asked consider the following recommendations prior to consideration by the Cabinet:-

That:-

- (1) all current rural funding streams should be retained;
- (2) the funding streams due to end in 2011 should continue after 2011 (Rural Action Plan and the Rural Area Community Initiatives Fund);
- (3) no new rural funding streams should be introduced;
- (4) funding for the Brecks Partnership and Dedham Vale and Stour Valley Project should be reviewed; and
- (5) the level of subsidy for Parish and Town Council elections be reviewed by Cabinet as part of budget-setting for 2011/12 and a decision be notified to parishes in time for precepting.

Contact Details

Chairman

Councillor Jim Thorndyke
(01359) 250271
jim.thorndyke@stedsbc.gov.uk

Policy, Performance and Customer Service Manager

Davina Howes
(01284) 757070
davina.howes@stedsbc.gov.uk

Rural funding provided by St Edmundsbury Borough Council

Existing funding streams provided by St Edmundsbury which were identified and considered by the sub-group. Information correct as at 1 March 2010.

Name of funding scheme	Total amount	Capital/ revenue	Notes
Grants to Parish Councils	£157,500 2010/2011	Revenue	This grant was reviewed in 2009. At that time it was agreed to a 9% cap, of the total grant available, payable to any parish council. It was also agreed to reduce the grant pot by £17,500 per year in 2010/2011 and 2011/2012.
Village Halls, Play and Recreation Areas	£25,000 in 2010/2011 (plus a carry forward of £37,458). Therefore £62,458 total	Capital	This funding is for project-specific grants for works such as village hall improvements and assisted community facilities. It covers awards of more than £5,000.
Core Funding Grants	£629,795 in 2010/2011 (some of this committed until 2013)	Revenue	Provided to help voluntary and community organisations with running costs. Most funding is given to organisations based in the towns. Three year funding arrangements have been agreed 2010/2011 to 2012/2013. Rural specific grants are: Brecks Partnership which receives £11,654 per annum for the next two years and Dedham Vale AONB and Stour Valley Project £15,256 for next three years.
Rural Area Community Initiatives Fund (RACIF)	£43,340 2010/2011	Capital	The fund was established to encourage the delivery of locally important capital projects in rural areas that would not be able to go ahead without financial support from the Council. It provides grants between £500 and £5,000 and each scheme must obtain 50% match funding. This funding stream has been in place since 2005 and was intended to last for 5 years. The initial sum of money was £200,000. This is the fifth year of funding. So far the fund has levered in £30,430 in match-funding for projects.
Rural Action Plan Fund	£100,000 2008/2011	Capital and Revenue	Funding is used to support the delivery of the three year Rural Action Plan.
Suffolk Rural Economy Scheme	£5,000 2010/2011	Capital and Revenue	This funding is provided by St Edmundsbury to Suffolk County Council to administer. The funding from districts and Suffolk County Council is used to match fund other external grants to increase the total pot. It provides one-off revenue and capital grants to shops, post offices and public houses in rural areas, which can demonstrate sustainable economic community benefits. In 2008/2009 this funding scheme levered in £21,750 in match-funding for projects.
In Bloom	£4,000 2010/2011	Capital and Revenue	Only Cavendish and Clare apply for this funding. The intention is that this amount reduces year on year.

European Union Funding information

At the Rural Funding Sub-Group meeting on 14 June 2010 it was suggested the Group should consider the access to European Union (EU) Funding to ensure that the Council was accessing any appropriate funding streams. Below is a list of rural EU funding programmes which appear to be available in Suffolk. Suffolk County Council has a European Funding Team the purpose of which is to assist with access to these funding programmes.

Life+

The LIFE programme is the EU's funding instrument for the environment. The general objective of LIFE is to contribute to the implementation, updating and development of EU environmental policy and legislation by co-financing pilot or demonstration projects with European added value. The LIFE programme has financed 176 projects in the United Kingdom over the past 14 years. Of these, 132 focus on environmental innovation, and 42 on nature conservation. There are currently 50 ongoing LIFE projects, representing a total investment of €147 million, of which €62.6 million is contributed by the European Community. It would appear that since 2002, only one project in East Anglia has been funded (a tyre recycling facility in Great Yarmouth). This funding programme is open to both the public and private sectors.

Rural Development Programme for England (RDPE)

The Leader approach to the RDPE provides the opportunity for local public, private and voluntary sector action groups to identify priorities for their areas. The East of England Development Agency (EEDA) approved plans put forward by groups from the Waveney Valley and Brecks areas meaning that non-public sector organisations in these areas could be eligible for grants. The programme was approved in 2008 and will run to 2013.

The fund is co-ordinated by the Rural Enterprise Hub at Easton College which is responsible for facilitating the delivery of the programme across Norfolk and Suffolk. It is expected that individual projects coming forward to bid for these funds will find at least 50% of the costs of their initiative.

The recent newsletter (July 2010) shows that 12 organisations have secured over £450,000, with match-funding this makes a total investment of £1.3m. The newsletter includes articles on funding of specific projects in the Brecks area.

The newsletter can be found at:

<http://www.ruraladvice.co.uk/documents/July%2010%20LAG%20Newsletter.pdf>

European Regional Development Fund (ERDF)

ERDF is a 308 billion euro programme of European Structural Funds across the EU member states for the period 2007-2013. The East of England's allocation is approximately £83 million. The programme aims to strengthen the competitiveness and attractiveness of all regions in the UK and will support low carbon economic growth until 2013. All projects must support a number small and medium size enterprises (not individual SMEs). Funding will support initiatives that meet the programme's three priorities:

1. promote innovation and knowledge transfer with the intention of improving productivity;
2. stimulate enterprise and support successful business by overcoming barriers to business creation and expansion; and
3. ensure sustainable development, production and consumption.

A list of beneficiaries so far can be found on the attached link. Two projects were supported by Suffolk County Council.

http://www.eeda.org.uk/files/E_of_E_ERDF_Beneficiaries_List_May_2010.pdf

Estimated Costs for Parish Elections 2011

Scheduled Borough and Parish elections will take place on 5 May 2011. As such, where parish and borough elections for the same area are both contested the costs will be shared equally.

However, the Government have proposed that a referendum on the voting system will also take place on the same day, although at this stage it is not known whether parish elections will have to be postponed by 3 weeks because of this. If this is the case there may be increased costs for parishes that cannot be claimed back as a cost attributable to the postponement.

Assuming that parish elections are not postponed and that the costs are shared equally, the cost for a parish election would range from around £920 to £1,400 per parish depending on a number of factors (see table below).

At the last parish and borough elections in 2007, St Edmundsbury Borough Council subsidised the cost of the election to parishes up to a maximum of £1,200 per parish. This meant that for the majority of parishes, if elections were contested, there would have been no cost. Only larger parishes with more than 1,600 electors would have incurred a cost and this would have been minimal.

Due to budgetary constraints, the Borough Council may be unable to subsidise the elections at the same rate for 2011 so parishes may need to plan for costs of a contested election being significantly higher than previously.

Item	Details	Cost (or range of costs) per parish
Polling station staffing	All parishes would require one PO and one PC therefore the cost would be the same regardless of the size of parish	£270.00
Postal Voting	Cost of packs, postage and staff to issue and open. This is dependent on the number of postal voters in the parish	Costs range from £25.00 (for 35 postal voters) to £150.00 (for 235 postal voters)
Poll cards	Cost of printing and posting	Costs range from £25.00 (for 180 electors) to £260.00 (for 1750 electors)
Count costs	Includes count venue costs, staffing costs and general stationery costs. Same for all parishes regardless of size.	£430.00 per parish
Ballot papers	There will be a set up cost which will be similar for each parish plus the cost of printing which will depend on number of ballot papers required	Costs range from £170.00 to £270.00
Total Costs		Costs range from £920 to £1,400 per parish