

Executive – 4 December 2008

CAPITAL PROGRAMME - 'INVESTMENT IN THE COMMUNITY' INITIATIVE GRANT AWARD PROCESS

Report of Strategic Director (Community)

Statutory Powers: Local Government (Miscellaneous Provisions) Act 1976, Section 19 and Local Government Act 2000, Part 1.

Financial Implications: The expenditure of capital sums has a revenue impact through the loss of interest earned. This equates approximately to a loss of £30,000 interest per annum for every £1 million of capital spent based on current interest rates. All projects proposed under this initiative are based on budget estimates and will be subject to the normal project appraisal, value for money and affordability tests as set out in the Council's Asset Strategy and the broad principles established under Community Grant Fund policy. There may be projects brought forward that have an ongoing revenue costs arising from the investment.

Purpose: To seek Executive approval for a process to formulate the grant award arrangements for significant community based projects in the district through the 'Investment in the Community' Initiative, including the establishment of a Member task and finish group.

The Councils 'Investment in the Community' Initiative strengthens the Council's commitment to supporting communities in achieving its overall aim 'to improve the well-being of the people of the South Hams' whilst contributing to Council priorities, cross-cutting themes and commitments, and also key themes within the Sustainable Community Strategy.

RECOMMENDATION

That the Executive RESOLVES to approve:

- i) the purpose of the Investment in the Community Initiative; and**
- ii) the setting up of a Member task and finish group to formulate the grant award arrangements for significant community based projects in the district taking account of the issues outlined in the report.**

Background

1. The 'Investment in the Community' Initiative was approved for inclusion in the Capital Programme by Council on 24 July 2008 (Cncl.39/08) as part of the Council's Medium Term Financial Strategy.
2. There are known to be significant community based proposals currently in development within the South Hams. The sum of £1 million was identified notionally over the two-year period to be able to respond to potential bids from the community. Informal discussion with a number of project promoters suggests that the £1 million could be significantly over subscribed. It is therefore important to establish a coherent process for assessing the expected bids.

Purpose of the Investment in the Community Initiative

3. The Investment in the Community Initiative has been set up to provide a mechanism for the Council to consider providing capital grants to significant community projects within the district. It is suggested that successful applications to this fund will have to demonstrate that the proposed project:
 - a) will improve the quality of life to a significant population of the District
 - b) will contribute to the Council's own targets as set out in Council priorities, cross-cutting themes and commitments,
 - c) will contribute to the key themes within the Sustainable Community Strategy, and
 - d) is based on sound financial projections so that it is viable in the long term.

Members may feel that other criteria should also be considered. Criteria should be written so that projects are capable of being objectively assessed and scored against them.

Size of Awards

4. The total capital fund available for the Investment in the Community Initiative is £1 million. To ensure an evidenced based distribution of awards, it is suggested that eligible applications should be for a one off but significant capital grant and subject to a maximum proportion of the total capital cost of the proposed project. Members will wish to determine the minimum and maximum contributions in terms of monetary value and proportion of the total project cost.
5. Applications for less than £25,000 will continue to be handled through the existing Community Grant Fund.

Community Grant Fund - Award Process

6. The Council already has in place an approved process for allocation of grant funding for up to £25,000 through its Community Grant Fund. One option is that the allocation of capital funding under the Investment in the Community Initiative is based on many of the processes already established for the Community Grant Fund.
7. The Community Grant Fund was approved by the Executive on 8 January 2004 (E.126/03). This grant award process was subject to extensive review by Members and was subject to revisions approved by the Executive on 13 October 2005 (E.69/05).
8. The Community Grant Fund criteria were established to be consistent with this Council's strategic priorities and commitments, and were recently amended to include the cross-cutting themes (E. 6/08). Applications are assessed by a Scoring Panel, using a Prioritisation Scoring Mechanism to assess their contribution to the Council's strategic priorities, commitments and cross-cutting themes. Small grants (£5000 or less) are awarded by officers under delegated authority but after consultation with the Ward Member(s) and Chair of the Community Policy Development Group. Larger grants of more than £5,000 are awarded through the Executive.
9. The above process for the Community Grant Fund has been tested and modified over time and provides a reasonable basis for consideration of an awards process through the Investment in the Community Initiative.

Investment in the Community Initiative - Application and Business Plan

10. As part of the process it is suggested that applicants are required to complete an application form and submit a Business Plan as evidence that the project meets the purpose of the fund once determined by Members. It is felt that the Business Plan should demonstrate how the project will contribute towards at least one Council priority, cross-cutting theme or commitment. Given the competitive and finite nature of the fund, applicants could be advised that they would be in a better position if they can evidence contribution toward more than one if the criteria.

Scoring of Applications

11. A possible approach is that applications could be scored through a Prioritisation Scoring Mechanism. The Mechanism could allocate points based on how well the project will contribute to each of the Council's strategic priorities, cross-cutting themes and commitments. As the grant is designed to meet community needs, it is suggested that the assessment could include consideration of the key themes within the Sustainable Community Strategy. Members will need to consider the scores they wish to see allocated to each of the criteria before invitations to apply are issued.

Table 1. Weighting to Priorities, Cross-cutting Themes and Commitments

Council Priorities	Weighting
Affordable Housing CP1	To be determined in each case in advance of inviting applications
Economy CP2	
Environment, Distinct CP3	
Environment, Clean CP4	
Access CP5	
Council Cross-cutting Themes	
Climate Change	
Meeting the Needs of Young People	
Promoting a Healthier Community	
Council Commitments	
Equality of Opportunity / Disadvantaged CC1	
Sustainability CC2	
Community Involvement & Vibrancy CC3	
Partnership CC4	
Value for Money CC5	
Sustainable Community Strategy Key Themes	
Affordable Housing	
Competitive Local Economy	
Community Vibrancy	
Quality Built and Natural Environment	
Sustainable Community Strategy Cross-cutting Themes	
Social Inclusion	
Climate Change	
Other/Different criteria determined by Members	

Table 2. Scoring Guide

	Weighting
None – contributes nothing to CP/CCT/CC.	To be determined in each case in advance of inviting applications
Little – the project has little/indirect contribution to CP/CCT/CC and the application has not drawn upon this/explained how.	
Some – the project will have some contribution to CP/CCT/CC and the application has included some detail.	
Good – the project will contribute to CP/CCT/CC and the application has included a range of details.	
Strong – the project will contribute to CP/CCT/CC and the application has clearly demonstrated how.	
Very Strong – the project has very clear and deliverable outputs that will deliver significantly on CP/CCT/CC.	

Ranking and allocation of capital grants

12. All applications received could be scored and ranked. In the event that the fund is over-subscribed, those projects with the lowest scores will be unlikely to receive all or any grant requested.
13. The Investment in the Community Initiative is currently a finite amount of financial support, so once allocated the fund should be closed. It is suggested that Members consider a deadline to receive application forms and business plans so that a scoring panel can assess the project merits in relation not only the agreed criteria but also to rank them against each other. Members may wish to consider whether there should be any further publicity for the fund prior to an agreed closing date. Alternatively Members may feel that there are a sufficient number of significant projects already being considered within the District. Further publicity could therefore undermine the purpose of the grant, i.e. to support significant community projects, by spreading the available funding too thinly across too many schemes with the result that the progress of existing proposals is adversely affected.
14. Whichever arrangements are adopted it will be important to ensure that the ‘Investments in the Community’ Initiative complies with the ethos of The Compact with community groups (in particular the Code of Practice on Funding and Procurement) to which this Council is a signatory.

Scoring Panel

15. It is proposed that Members consider who should sit on the Scoring Panel, and the level of officer support required to make a robust decision given the scale of the potential awards. It may be appropriate that different Members sit on any scoring panel than the Members involved in setting up the evaluation process. It is suggested that after the scoring panel has met it should prepare a report to the Executive for the allocation of

capital funding. In combination, the suggested checks and balances should create a process that meets audit requirements.

Risk Assessment

16. The following are the significant risks and opportunities identified:

Opportunity	Issues / Obstacles	Benefits
To give the Council's financial support to significant community based projects.	The Council must demonstrate that capital investment in the community contributes to corporate and community priorities, provides value for money, and takes account of the revenue implications of the investment. This requires a business plan and project appraisal for each proposal. This needs to be taken into account when assessing possible implementation timescales.	Support for community projects which will contribute to the Council's overall aim 'to improve the well-being of the people of the South Hams'.

Conclusion

17. The Council's 'Investment in the Community' Initiative will contribute to Council and Community priorities, cross-cutting themes and commitments and the Council's overall aim of 'improving the well-being of the people of the South Hams'. It is suggested that a Member Working Group is set up to determine the grant award arrangements, the criteria and weighting for awards, and the scoring process.

James Stubbs
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Executive
4 December 2008

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Background Documents:

None