

**OVERVIEW AND SCRUTINY
7 JUNE 2016**

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

11

TITLE OF REPORT: PROPOSED COMMUNITY FACILITIES CAPITAL PROJECTS FUNDING SCHEME

REPORT OF THE HEAD OF POLICY AND COMMUNITY SERVICES

EXECUTIVE MEMBER: COUNCILLOR TONY HUNTER

1. SUMMARY

- 1.1 The purpose of this report is to advise Cabinet of the launch of a new capital grant funding scheme, the source of its funding and a proposal on how it should be implemented and managed.
- 1.2 To seek Cabinet's approval to implement the proposal as outlined in this report.

2. RECOMMENDATIONS

- 2.1 That Cabinet notes the contents of this report and agrees to the course of action proposed in the report.
- 2.2 That if the proposed method of implementation of the new scheme is approved, authority be delegated to the Strategic Director for Finance Policy and Governance in discussion with the Executive Member for Community Engagement and Rural Affairs to administer implementation.
- 2.3 That a report is presented to Cabinet in twelve months time providing information on the first years' implementation of the new funding scheme.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure funding approved for the new scheme together with other funding that may be acquired from other sources is applied through a new managed grant process to support the District's rural and urban community facilities in respect of capital works projects.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not to implement the scheme and retain the funding in the Councils Capital Budget for other purposes. This was discounted as it is intended that the injection of capital into a number of the district's community facilities should enable wider or more varied, sustainable use in the longer term.

5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 5.1 The rationale for the establishment of a new capital projects funding scheme was addressed and included in the approved budget for 2016/17 at the Full Council meeting held on 11th February 2016.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan for May 2016.

7. BACKGROUND

- 7.1 In October 2005 NHDC launched the Parish Amenity Capital Improvement (PACIF) grant scheme, a new capital improvement fund of £1M to assist Parish Councils and other rurally based community organisations to improve facilities in their villages and communities. The fund operated on an annual basis in April of each year up to and including 2008/09 at the rate of £250,000 per year.
- 7.2 At the end of the fourth, and originally intended final year of the fund, approximately £70,000 remained unallocated. It was decided therefore that the fund should be extended for a further year (2009/10) in order that, subject to the approval of compliant applications, the remaining funds might be awarded to rural projects.
- 7.3 Further to 7.2 above, and in response to the over subscription for awards that occurred in 2009/10, the Council allocated a further £250,000 for PACIF grants in 2010/11.
- 7.4 The fund was primarily aimed at helping local rural organisations that managed community amenities to be able to carry out major repairs and refurbishments or to contribute to the cost of new facilities. Such amenities were typically village halls, community centres (non urban) or sports halls. All of the grant scheme's funds of £1.25M were allocated. However, two of the projects awarded grants failed to meet the schemes timescale or financial criteria such that their grants totalling £73,000 were withdrawn.
- 7.5 In October 2011 Council adopted the Community Halls Strategy. This document provided an evidence base of the indicative improvement costs to refurbish each village hall and community centre in the District. A condition survey was undertaken in the first three months of 2010 and funded via the Strategic Priorities Fund on the basis of assessing the current condition of the primary facilities in the District i.e. urban halls, community centres and village halls. The survey of each building was undertaken by a qualified building surveyor. The surveys comprised analysis of building dimensions, accessibility, condition, usage considerations etc.

- 7.6 The strategy included estimated costs for the undertaking of the recommended works, which were ranked in order of priority from 'immediate' to 'within the next five years'. That quality review of District facilities was assessed on the following criteria:
- Compliance with primary Disability Discrimination Act (DDA) requirements
 - General condition of premises
 - Adequacy and condition of basic facilities
 - Compliance with general health and safety regulations
- 7.7 From these assessments a new grants scheme called the Rural Community Halls Grant Scheme targeted at rural halls was launched in April 2013 with an overall budget of £188,000 which was made up of the residue from the previous PACIF scheme and also funding made available by the North Herts Local Strategic Partnership; its purpose was to capture those village halls which did not apply for funding from the original PACIF scheme, for whatever reason, in an attempt to provide funding for capital improvements for their facilities. In total a further twelve projects were successfully funded leaving a sum of £87,000 remaining unspent at the end of 2016/17 at which time the scheme was closed.
- 7.8 At the Full Council meeting held on 11 February 2016 following referral from Cabinet of 26 January 2016 – Capital Programme 2016/17 Onwards, a capital budget of £1M was approved, at a budgetary rate of £250,000 per year for four years, for the 'Refurbishment and Improvement of Community Facilities'. This funding to address the capital improvement needs of qualifying rural and urban community facilities in the District over that period.
- 7.9 The proposed new Community Facilities Capital Projects Funding Scheme seeks therefore to provide grant funding from this £1M budget supplemented in its first year of operation by the residue of £87,000 from the now closed Rural Community Halls Grant Scheme.
- 7.10 The proposed means by way of which the funding is proposed to be made available to qualifying facilities is set out in the schemes 'Criteria and Implementation Process' shown as Appendix 1.

8. ISSUES

- 8.1 The establishment of the Community Halls Strategy adopted by Council in October 2011 identified a need for capital improvements to the District's community halls. The costs of these works are almost without question out of the financial reach of those facilities.
- 8.2 As discussed above to date two successful grant funding schemes have been in operation to improve community service provision in the District to assist qualifying facilities to overcome the financial constraints in achieving improved services through the performance of identified capital projects. These schemes have previously been aimed specifically at rural community halls only.

- 8.3 The establishment of a new capital funding scheme as outlined in this report, using the new budget approved by Council, supplemented by unspent money from the previous schemes, and where possible by other forms of finance from such sources as s106 and Unilateral Undertakings funds and others as may be identified, now includes urban community facilities such as Community Centres and other facilities such as Church Halls offering community activities that are looking to expand their operations by implementing capital projects to upgrade or extend their service provision capability; thus contributing to the longer term sustainability of those buildings.
- 8.4 Further to 8.2 and 8.3 above the new scheme will not be applicable to any facility constructed since the adoption of the Community Halls Strategy in October 2011. The rationale for this exclusion from the scheme being that it is considered that within such a relatively short time frame no such facility should be considering or have a requirement for capital works; as to do so indicates poor business planning in derivation of the facilities business strategy prior to its construction. It is considered here therefore that the operation of the facility requires re-evaluation by its operating organisation to realign its service delivery requirements, which may now appear to be inadequate, with those perceived to be required now and in the future by the community which it serves.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference include taking 'decisions on resources and priorities, together with other stakeholders and partners in the local community, to deliver and implement the budget and policies decided by the full Council' and 'to monitor expenditure on the capital programme.'
- 9.2 Section 1 of the Localism Act 2011 empowers a local authority to do anything that individuals generally may do.

10. FINANCIAL IMPLICATIONS

- 10.1 The Council has been very successful in providing capital works funding via two capital works grant schemes before and since the adoption of the Community Halls Strategy. On the basis that a similar rationale will be used by the Council in the new scheme as those for the previous schemes there is confidence that the proposals set out in this report for the use of the recently approved budget of £1M over four years, plus other funding that can be identified, will again be well utilised and achieve the same levels of success in the delivery of capital works projects, in the rural and urban areas of the District to the extent possible by the funding available.
- 10.2 The proposed use where possible of S106 and UU 'Community Halls' funding as contributory to the scheme will assist the Council to achieve its obligations under agreed planning permissions to employ the available monies, contributed by developers associated with those permissions, to the benefit of the facilities concerned as envisaged in the Councils Supplementary Planning Document (SPD) - Planning Obligations, other appropriate planning strategies and documentation, and relevant government legislation.

- 10.3 The proposal in the new scheme to require an affordable contribution to any proposed funding allocation to a facility by way of assessment of that facilities current financial position, in conjunction with ongoing liaison with the facilities management committee concerned during project delivery where funding from the scheme has been released will ensure that the Council achieves value for money in respect of any capital project funded under the new scheme.

11. RISK IMPLICATIONS

- 11.1 A risk relating to the Community Facilities Capital Projects Funding Scheme has been identified and added to Covalent, the Council's Performance & Risk system. There is a works. This could mean the standard of the facilities fail to improve or that Council funding is not used appropriately. This risk will be managed by the Councils appointed officer for the scheme who will work closely with the facilities approved for funding from the project definition stage through project implementation to completion.

12. EQUALITIES IMPLICATIONS

- 12.1 The Equality Act 2010 came into force on the 1st October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5th April 2011. There is a General duty, described in 12.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 12.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.3 The proposal to reallocate the un-spent funds from previous schemes can only benefit communities, of which those with protected characteristics will inhabit. The proposal seeks to enhance those facilities to provide greater accessibility and benefits to the community as noted above. In fact it directly addresses any access issues that may be faced. This should have a positive impact on how all members of the community use the facilities and interact with each other – this then advances equality of opportunity and the fostering of good relations. This proposal acknowledges that there is a greater reliance on the provision of good and effective community services delivered in the rural and urban areas of the District as many of the other sources of community cohesion are withdrawn or cut back.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section above.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no Human Resources or Equalities issues. However it should be noted that work associated with this proposal will be absorbed by officers, and therefore financed from within existing budgets.

15. APPENDICES

- 15.1 Appendix 1 - Proposed Qualifying Criteria and Implementation Process for the Community Facilities Capital Projects Funding Scheme.
- 15.2 Appendix 2 - Definition of capital spend.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

- 17.1 North Hertfordshire District Council Community Halls Strategy, Version 1, dated October 2011. This can be found on the Council's website found at:
http://www.north-herts.gov.uk/index/community_and_living/community_centres_and_facilities/community_halls_strategy.htm