

REVIEW OF THE REVENUE AND CAPITAL COMMUNITY GRANTS SCHEME

1. RECOMMENDATION

- 1.1 For Panel members to consider the report and make recommendations to Cabinet on the following:
- a) The adoption of the proposed eligibility criteria for the Revenue Grant scheme, as detailed in section. 9.1.
 - b) The choice of delivery model for the Revenue Grants scheme, as detailed in section 10, and,
 - c) The adoption of the proposed process and eligibility criteria for the Capital Grant scheme, as detailed in section. 11
- 1.2 That any changes to the Community Grants scheme are to be adopted for the application window in 2024, with grants awarded from 1 April 2025.

2. THE AIMS OF COMMUNITY GRANTS

- 2.1 The Council recognises the significant contribution made by the voluntary and community sector in delivering wide-ranging services to different communities and vulnerable residents in the district. The Council is committed to supporting the work of organisations providing vital work across the district through the delivery of a Community Grants scheme, which awards discretionary grants to support organisations to improve and/or maintain the health and wellbeing of residents and communities.
- 2.2 In most cases, financial support is provided to organisations specialising in areas such as supporting vulnerable households with mental health issues or disabilities, promoting sport, physical activity, and culture.
- 2.3 Any grant awarded to an organisation should support the Council's priorities and objectives, as set out in our Corporate Plan, and directly benefit the people of the New Forest. This may include grant awards to organisations that support meeting an identified need, or where they support the Council in delivering their service.

3. FINANCIAL INFORMATION

- 3.1 The annual budget available for community grants is as follows:

Grant	Budget	Source
Revenue	£130,000 (£170,000 for allocation from 1 April 2025)	General Fund
Capital	£100,000	Reserves
Community Transport*	£51,000 match funding with HCC	General Fund

(*Community Transport is being reviewed as part of Hampshire County Council's spending review and will be discussed upon notification of the outcome and the options available on future funding)

4. CURRENT COMMUNITY GRANTS SCHEME

4.1 The current community grants scheme consists of two strands, revenue and capital grants, each summarised below:

4.2 Revenue Grants

4.2.1 Revenue grants are to support organisations with their day-to-day running costs of providing a charitable or community service which benefits or supports local people or communities, up to a maximum award of £35,000.

4.2.2 The Council may consider entering into a formal Service Level Agreement (SLA) for revenue grants of £35,000 or above, funded from the Revenue Grant budget. An SLA may be appropriate where the service provided is meeting a need that the Council considers important; or where the Council has asked the organisation to provide the service on the Council's behalf. There is currently a two-year SLA with Community First Wessex, which expires on 31 March 2025, which stipulates objectives, measures and targets, reporting directly to scrutiny panel annually.

4.2.3 A separate grant funding scheme is in operation managed by individual elected members, who may allocate funding of up to £600 towards important projects in their ward areas. Requests for revenue grants of £600 or less should be made to individual ward councillors under the Councillors' Community Engagement grant scheme.

4.3 Capital grants

4.3.1 Capital grants are one-off grants for projects, such as the construction of a new play area, or renovating a community hall, which has wide-ranging benefits.

4.3.2 The Council will award a grant of up to 50% of the total cost of the project, with a maximum grant award of £100,000. Applicants must have secured 50% of the funding for any project before making an application and must demonstrate that grant applications have been made to other funding sources, which have been unsuccessful.

4.3.3 Successful applicants sign and return a Funding Agreement, which stipulates any terms of the award, and payments are usually made on completion of the project.

4.4 Publicity

4.4.1 The Council is keen to ensure it is recognised where a community grant is awarded to an organisation. To acknowledge and promote the award of a community grant, recipients are expected to include our logo and/or reference the award in any literature.

5. WHO CAN APPLY

5.1 The following groups are currently eligible to apply:

- Community, voluntary and registered charitable organisations

- Not-for-profit groups that are properly constituted
- Town and Parish Councils

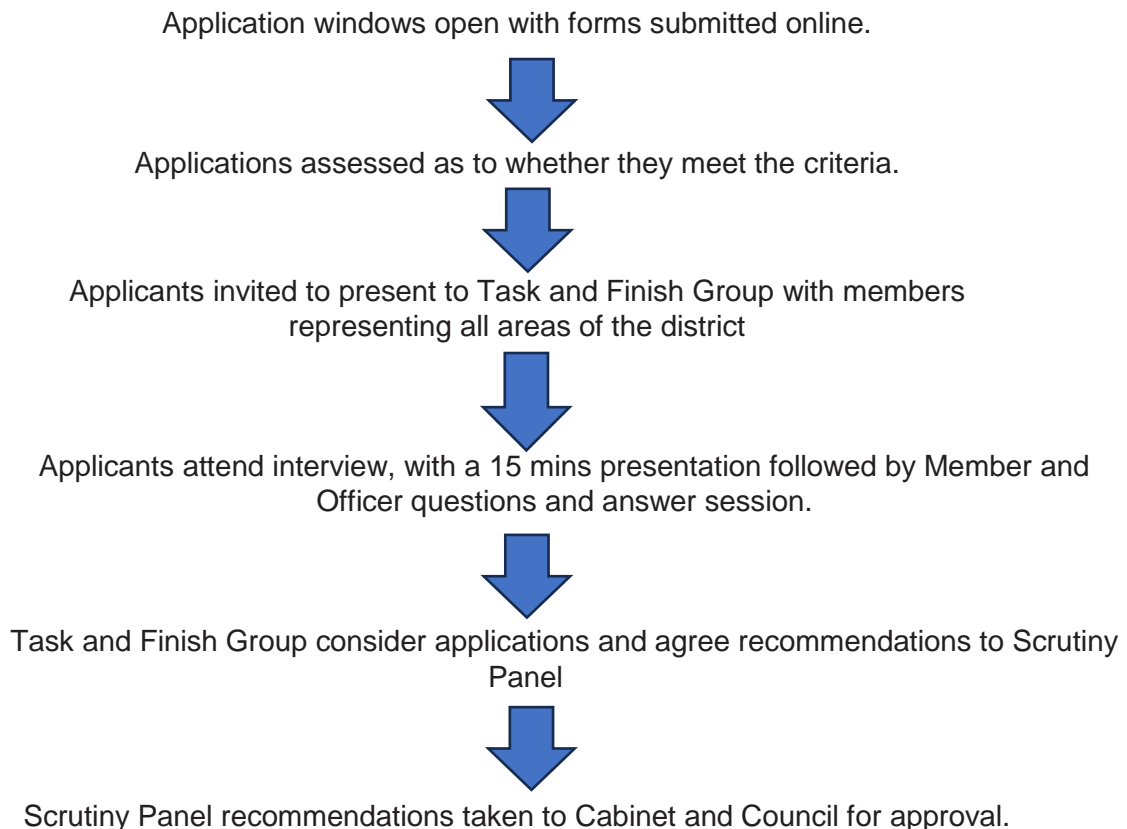
6. WHAT IS NOT FUNDED

6.1 Community grants do not fund the following:

- Individuals or an item or project that benefits an individual
- Projects from private companies, profit-making or trading organisations
- Party political activities
- Religious worship or observance; or works to buildings or grounds that are used solely by a religious organisation.
- Organisations in poor financial health, so may not be able to deliver the service.
- Organisations that are based outside of New Forest District Council, unless they provide services within the district and can demonstrate the benefits to our residents.
- For capital grants, applications where the project has already started, or where appropriate permissions have not been obtained.

7. CURRENT PROCESS

7.1 The current process for community grants includes the following stages:



7.2 In making their recommendations the Task and Finish Group will consider a range of factors, including, but not limited to:

- how well the application supports the Council's priorities and our services.

- evidence that the application is required and the extent to which it meets a community need without duplicating services.
- the efforts to secure alternative funding.
- the long-term benefits of the application
- value for money

7.3 When making an application, applicants must confirm that they are properly constituted and have relevant safeguarding, health and safety and equality policy documentation.

8. REVIEW OF THE CURRENT SCHEME

8.1 The new Corporate Plan provides an opportunity to review the current community grant scheme to ensure it is aligned to delivering the new priorities contained within the plan themes of People, Place and Prosperity.

8.2 Where we award a community grant, we will maximise the opportunities to collaborate with recipients to develop longer-term partnerships. This may include providing support where we can, promoting their activities, establishing opportunities for further enhancements to projects to benefit more residents, and ensuring the Council receives information and updates on how the grant is being used, and benefiting residents.

8.3 Also for consideration, is the significant administration and time involved in the delivering the scheme. In 2023, the Council received an unprecedented number of applications as follows:

	2022		2023	
	No.	Value	No.	Value
Revenue	19	£249,430	43	£617,199
Capital	8	£161,400	15	£243,640

8.4 Due to the volume of applications, and the current vetting process, administering the scheme was administratively burdensome, requiring significant Officer time, including application enquiries, arranging appointments, compiling agendas, minutes and reports, five days of interviews and deliberation with members, notifying applicants of decisions, and making payments. It is estimated the cost of delivering the scheme in 2023 was as follows:

Cost Element	Cost £
Estimated Officer Time	12,500
Member Expenses	197
Sundries	413
Total	13,110

8.5 There is also the impact on the applicant to consider, including the time to complete an application form, attending the meeting and presentation, and managing expectations as only 16 out of 43 applications were ultimately successful.

8.6 As part of the process in 2023, the Task and Finish Group undertook a review of the scheme and made recommendations. This included:

- a) that the minimum Revenue Grant application amount be increased from £1,000 to £3,000 and that a maximum revenue grant award is set at £20,000
- b) That any unspent Councillor Engagement Grant at year end is transferred to the Revenue Community Grant budget
- c) That the Capital Grant scheme is reviewed to consider aligning with the Community Infrastructure Levy (CIL) funding which also presides over capital funding requests, removing it from the community grant scheme.
- d) That the Revenue Grant scheme is fully reviewed to consider whether alternative processes could be used to simplify administration, and to ensure awards match the Council's emerging Corporate Plan priorities.

8.7 Members have stated that they are still keen to be involved in the decision-making process, supported by Officers, and it is recognised that they are well placed to contribute to the scheme with their local knowledge.

9. FUTURE OPTIONS – REVENUE GRANTS ELIGIBILITY CRITERIA

9.1 The following key principles are proposed to provide clarity to the community grants scheme:

- a) Funding will not be provided for one-off events unless the event will have a significantly positive impact on Corporate Plan priorities.
- b) Educational establishments, religious groups and Town & Parish Councils will not be eligible to apply.
- c) Maximum grants awards will be £20,000 with a minimum award of £3,000.
- d) Applicants must be established and operating in the district for more than 1 year.
- e) Applicants must be in sound financial health, not have excessive reserves above the minimum level, which could be used to support the application, and provide certainty over delivery of the service.
- f) The grant is not to be provided to solely support a shortfall in organisational running costs, but in doing so would support delivery of specific priority outcomes.
- g) Applications from national organisations must provide supporting information demonstrating how the funding will be spent in the New Forest district.
- h) Activities and support that are the statutory responsibility of another organisation are ineligible.
- i) The outcomes delivered from the funding must be to more than 20 residents.
- j) Applications will not be considered where there are already well-established funding routes.
- k) Applications will not be considered where there is no evidence of attempts to bid for other grant funding available.
- l) The application form has been completed in full, providing all supporting information, including financial.

10. OPTIONS FOR FUTURE REVENUE GRANTS SCHEME

10.1 On reviewing the current Revenue Grants scheme, there are various options to consider for a future scheme. These are summarised as:

- Option 1 – Minor amendment to the existing scheme
- Option 2 – Multi-year project and 1-year awards – Task and Finish group
- Option 3 – Multi-year project and 1-year awards – Scrutiny Panel
- Option 4 – Multi-year project and 1-year awards with budget held for other projects – Task and Finish/Scrutiny Panel
- Option 5 – Project only based awards
- Option 6 – Community lottery funded scheme
- Option 7 – Community administered scheme

10.2 **OPTION 1 - MINOR AMENDMENT TO THE EXISTING SCHEME**

10.2.1 To replicate the existing process and arrangements but apply the proposed qualification criteria as detailed in section 9.1.

Pros	Cons
Well established	Administratively burdensome
Clearer eligibility criteria which may reduce applications	Difficulty managing expectations
Member involvement in the recommendations process	Demand is likely to increase with more unsuccessful applications
	Disproportionately costly to administer

10.3 **OPTION 2 – MULTI-YEAR PROJECT AND 1 YEAR AWARDS T&F GROUP**

10.3.1 Applications must meet the criteria, as detailed in Section 9.1. Applications that do, will be scored using a matrix (TBC) where applications will be placed into three points bands, A, B and C. Applications will be scored on a scale (TBC), against the following criteria, and how it:

- supports and/or works in partnership with Council services to deliver longer term outcomes over a 1-to-3-year period.
- provides value for money by maximising the grant awarded on a per resident basis benefitting from the proposal.
- meets one, or more of the Council's 9 priorities listed in the Corporate Plan to deliver longer term outcomes over a 1-to-3-year period.
- provides a unique service which is not replicated in the service catchment area.
- Generates an income to reduce or eliminate grant funding support in the future.

10.3.2 To ensure funding is allocated to key partners who are supporting a corporate priority, the funding initially allocated from the budget to bands A and B will be weighted with the amounts to be decided annually. Any budget not used will be allocated to the other group.

10.3.3 The weighting will be reviewed should the allocated budget for a band not be fully allocated or there are disproportionate applications for either band.

10.3.4 An Officer group will consider applications, including if alternative funding can be obtained from other available grants known to the Council. On scoring the application, the application will be placed into one of three groups:

Group A

Meets criteria and is identified by the Council as a key medium to long term partner, which supports our Corporate Plan priorities and services. Awards will be subject to funding agreements, with regular monitoring and reporting/engagement, and could be for up to 3 years to support longer term outcomes and certainty of investment. Officers to make recommendations to the Task and Finish Group.

Group B

Meets criteria and application progresses to Task & Finish Group to consider the applications and make recommendations. Grants will be awarded for 1 year only. This is to ensure there is funding available to support a wide range of organisations.

Group C

Officers are delegated to make a recommendation to Chair of Task and Finish Group of applications that do not meet the overall aims of the Council and will not progress to the next stage as they either do not meet the minimum criteria as set out in 9.1 or gain enough points through the points assessment in 10.3.1. This ensures only those applications that meet the criteria and meet priorities are progressed, to reduce administration and manages expectations for applicants.

Pros	Cons
Reduces administration in the decision-making process	Ongoing administration of collaborating with recipients
Ensures applications meet minimum criteria and enhances delivery against CP Priorities	Some organisations do not have resource to specialise in application submissions
Member involvement in the recommendations process	Administration still required
Allows for projects to develop over time.	Still high costs to administer
Develops more effective partnership working and financial guarantee for the term of the project.	

10.4 OPTION 3 – MULTI-YEAR PROJECT AND 1 YEAR AWARDS – SCRUTINY PANEL

10.4.1 This would be the same as Option 2 but with Officers making recommendations directly to the Housing & Communities Overview and Scrutiny Panel. There would be no requirement for applicants to present at the Task and Finish Group.

Pros	Cons
Significantly reduces administration	Reduced member involvement
Transparent and clear rationale for awards	Removes full detailed supporting presentations/videos so oversight presented to Panel.

Pros	Cons
Ensures applications meet criteria and enhances delivery against CP Priorities.	Some organisations do not have resource to specialise in application submissions
Allows for projects to develop over time.	Administration still required
Develops more effective partnership working and financial guarantee for the term of the project.	Still high costs to administer

10.5 **OPTION 4 – MULTI-YEAR PROJECT AND 1 YEAR AWARDS WITH BUDGET HELD FOR OTHER PROJECTS – T&F GROUP/SCRUTINY PANEL**

10.5.1 This would be the same as Option 2 but with a proportion of budget set aside and retained for Officers to make awards throughout the year for projects as they arise from partnership working. This may include activities such as warm spaces, community events, working with lone parents etc.

Pros	Cons
Significantly reduces administration	Administration for monitoring in year project applications
Transparent and clear rationale for awards	Ongoing administration of collaborating with recipients
Enables targeted projects to be supported	Some organisations do not have resource to specialise in application submissions
Reduces administration in the decision-making process	Administration still required
Ensures applications meet minimum criteria and enhances delivery against CP Priorities	Still high costs to administer
Allows for projects to develop over time.	
Develops more effective partnership working and financial guarantee for the term of the project.	

10.6 **OPTION 5 – PROJECT ONLY BASED AWARDS**

10.6.1 Grants are to be awarded solely for short term specific projects which support the Council's priorities, and meet the criteria as set out in Section 9.1. Grants amounts could be between a higher threshold than that stated in Section 9.1, of £5,000 and £30,000, to reflect the costs of administering specific projects. Applications can be received during two windows throughout the year and decisions made by Officers and/or Members by an approved process. Any grant awarded will be subject to agreeing community outcomes, monitoring and evaluation.

Pros	Cons
Outcome based so targeted grants for direct benefits	Fewer organisations supported
Reduces administration in the decision-making process	Does not support the ongoing running costs of organisations which is needed to support and undertake project work

Pros	Cons
Ensures applications meet minimum criteria and enhances delivery against CP Priorities	
Allows for projects to develop over time.	
Develops more effective partnership working and financial guarantee for the term of the project.	

10.7 OPTION 6 – COMMUNITY LOTTERY FUNDED SCHEME

10.7.1 This option moves away from a council funded scheme. There are over 100 councils across the country, including East Hants, Havant and Rushmoor District Councils, operating a community lottery, in partnership with [Gatherwell](#), where a portion of the receipts are retained and used to distribute to community groups via a *Central Fund*. The administration is undertaken by either the Council or the local Community Voluntary Sector (our equivalent of Community First Wessex). Depending on the model adopted Councillors and/or Officers could still be on the decision-making panel. If considered an option, more detailed information can be provided.

Pros	Cons
Community engagement	Marginal cost to administer
Panel decision with/without partners	No longer solely a Council scheme
Supports multiple organisations	Moral (gambling etc) concerns
Local organisations can sign up and benefit (once approved)	Uncertainty on funding amount raised
Still have an application and decision-making process for grants	
Budget can be utilised elsewhere	

10.8 OPTION 7 – COMMUNITY ADMINISTERED SCHEME

10.8.1 This option moves away from a council administered scheme. The administration would be undertaken by the local Community Voluntary Sector (our equivalent of Community First Wessex) and annual funding provided by the Council. Whilst there is likely to be a cost element to the scheme to cover administration it is likely to provide a significant cost saving in officer and member time to the Council. It would be proposed to define a set of grant award principles.

Pros	Cons
Support community engagement	Cost to administer to be determined
Reduces administration and frees up officer time	No longer a Council administered scheme
Supports a healthy voluntary and community sector	Grants may not be targeted to meet our priorities

11. CAPITAL GRANTS CRITERIA

11.1 The recommendation from the Task and Finish Group in 2023, as detailed in 8.6(c), included reviewing the Capital Grant scheme to align it with the Community Infrastructure Levy (CIL) scheme. However, as the future CIL scheme has not yet

been formally agreed, it is not considered appropriate at this time to align the two schemes until this has been completed. A further review will take place at a later date.

11.2 On reviewing the current Capital Grants scheme the following additional principles are proposed for inclusion to provide clarity to the community grants scheme:

- a) The maximum grant award will be £25,000.
- b) Applicants must have secured 50% of the required funding for any project before making an application,
- c) Applications will not be considered where there are already well-established funding routes
- d) Applicants must demonstrate that grant applications have been made to other funding sources, which have been unsuccessful.
- e) The applicant must be able to clearly demonstrate the project is needed and the long-term benefits to residents.
- f) Town and Parish Councils will be ineligible to apply.
- g) The application form has been completed in full, providing all supporting information, including financial.

11.3 Applications that meet the criteria will be scored by Officers using a scoring matrix (TBC) against the following criteria, and how it:

- provides value for money
- meets one, or more, of the Council's 9 priorities listed in the Corporate Plan
- demonstrates the need for the project
- demonstrates what the wider community benefits will be
- addresses environmental sustainability
- ensures the project will be inclusive for all of the community

11.4 The Task and Finish Group will make recommendations to Scrutiny Panel based on applications and the scoring matrix, with applicants no longer providing a presentation to the Group.

12. WEBPAGE ENHANCEMENTS

12.1 Currently, the webpage promoting the Community Grants scheme is only live when the application window is open and contains no other information.

12.2 To provide greater information on the availability of grant funding to organisations, the webpage will be updated, and regularly reviewed, to provide information and links to Community First Wessex and other websites to highlight, promote, and encourage organisations to apply for grant funding, including grants administered by the Council, such as Councillor Engagement Grants and Community Infrastructure Levy.

12.3 Currently emails are sent to named Officers to respond to. To ensure a coordinated and managed administration a generic email inbox will be set-up to manage these enquiries.

13. FINANCIAL IMPLICATIONS

- 13.1 The budget for community grants is well established and is supported to continue. There are implications, both positive and negative, to consider for each revenue and capital grants options, particularly the costs to the Council in administering the scheme and the savings should Options 6 of the Revenue Grants be adopted as this reduces the budget to zero.

14. CRIME & DISORDER IMPLICATIONS

- 14.1 There are none arising out of the report, however a number of the organisations previously supported, and those likely to apply for support in the future, will almost certainly link to community safety priorities. Therefore, there could be implications for the number of organisations supported, or the support for enhanced community safety projects.

15. ENVIRONMENTAL IMPLICATIONS

- 15.1 There are none arising out of the report, however a number of the organisations previously supported, and those likely to apply for support in the future, are linked to corporate plan priorities around climate, nature, and sustainability.

16. EQUALITY AND DIVERSITY IMPLICATIONS

- 16.1 The Community Grants scheme supports a wide range of organisations across the district that support, engage with and benefit our diverse communities and residents, including those with mental health and disabilities, and vulnerable households. The Council continues to work with these organisations as part of our ongoing community-based work. There could be implications for the number of organisations supported, or the support for enhanced projects which have long-term positive impacts on communities.

17. DATA PROTECTION IMPLICATIONS

- 17.1 There are none arising out of the report, although any data sharing between organisations will be managed in accordance with data protection principles.

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Background papers:

There are none.