

## REVIEW OF THE REVENUE AND CAPITAL COMMUNITY GRANTS SCHEME

### 1. RECOMMENDATION

1.1 That Cabinet to approve the following:

- a) The adoption of the eligibility criteria for the Revenue Grant scheme, as detailed in section 6.1;
- b) That the delivery model for the Revenue Grants scheme, as detailed in section 7, be adopted;
- c) That the Community Grants Task and Finish Group explore and consider a Community lottery funded scheme to run alongside the Community Grants programme, as detailed in section 7.7; and
- d) The process and eligibility criteria for the Capital Grant scheme, as detailed in section 8, be adopted

1.2 That the 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 community grants budget for 2024/25 totals £309,800 and is broken down as follows:

| Grant                      | Budget                           | Source       |
|----------------------------|----------------------------------|--------------|
| Revenue (Competitive)      | £130,000                         | General Fund |
| Revenue (Councillor Grant) | £28,800                          | General Fund |
| Capital (Competitive)      | £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)

- 3.2 The Leader of the Council confirmed during the budget process for 2024/25 that the Community Grants budget would be increased by £40,000 to £350,000 from 2025/26.

#### **4. CURRENT COMMUNITY GRANTS SCHEME**

- 4.1 The current competitive 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.

## 4.5 Who can apply

4.5.1 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

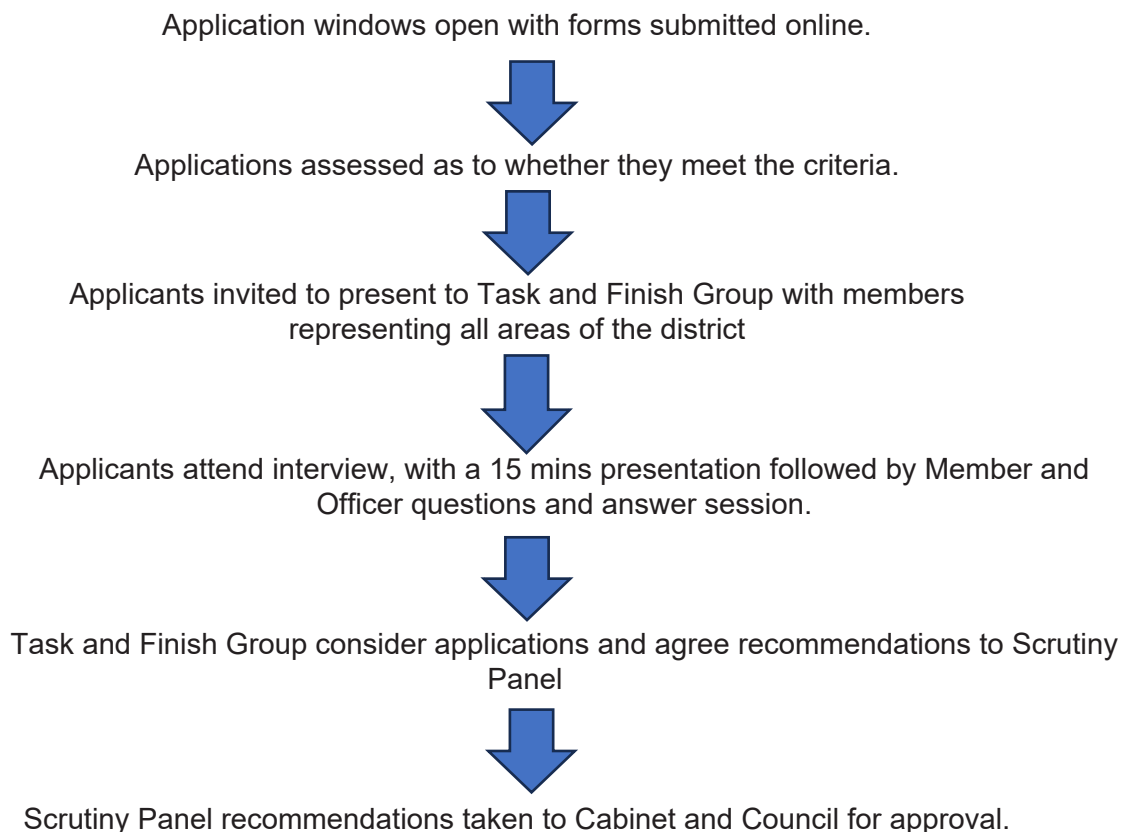
## 4.6 What is not funded

4.6.1 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.

## 4.7 The current process

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



4.7.2 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

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

## 5. REVIEW OF THE CURRENT SCHEME

5.1 The new Corporate Plan and increased budget provision 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.

5.2 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.

5.3 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    |
| <b>Revenue</b> | 19   | £249,430 | 43   | £617,199 |
| <b>Capital</b> | 8    | £161,400 | 15   | £243,640 |

5.4 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:

| <b>Cost Element</b>    | <b>Cost £</b> |
|------------------------|---------------|
| Estimated Officer Time | 12,500        |
| Member Expenses        | 197           |
| Sundries               | 413           |
| <b>Total</b>           | <b>13,110</b> |

- 5.5 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.
- 5.6 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.
- 5.7 The Housing and Communities Overview and Scrutiny Panel [the Panel], considered a review of the future community grants scheme at its 17 July 2024 meeting. Full details of all options discussed are included in the agenda and minutes for the meeting (see background papers). 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.

## **6. REVENUE GRANTS: REVIEW OF ELIGIBILITY CRITERIA**

- 6.1 The Panel, at the July 2024 meeting, agreed the following key principles 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.

## **7. REVENUE GRANTS: FUTURE SCHEME DISCUSSION**

- 7.1 The Panel also agreed to recommend Cabinet adopt Option 2 as the preferred model going forward, which is to provide both multi-year wards and one-year awards (outlined in more detail below).
- 7.2 Applications that meet the criteria, as detailed in Section 6.1, will be scored using a matrix (to be finalised) 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.
- 7.3 To ensure funding is allocated to key partners who are supporting a corporate priority, the funding 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.
- 7.4 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 decision and notify the 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 6.1 or gain enough points through the points assessment in 7.2. This ensures only those applications that meet the criteria and meet priorities are progressed, to reduce administration and manages expectations for applicants.

- 7.5 The Panel supported this option, as it reduces administration, ensures applications meet minimum criteria and support our corporate objectives, supports organisations with longer term funding arrangements and collaborative working.
- 7.6 The Panel discussed applicant attendance at Task and Finish Group and supported this where appropriate to ensure Members are still able to scrutinise applications and ask questions to obtain clarity to support their decision making and recommendations.
- 7.7 The Panel discussed the merits of a Community Funded lottery scheme. After deliberation, the Panel recommended exploring further through the Community Grants Task and Finish Group how a Community Lottery funded scheme could potentially operate alongside the existing Revenue Grant scheme to provide further grant funding opportunities and support to organisations.

## 8. CAPITAL GRANTS: REVIEW OF ELIGIBILITY CRITERIA AND FUTURE SCHEME DISCUSSION

- 8.1 The recommendation from the Task and Finish Group in 2023, as detailed in 5.6(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.
- 8.2 On reviewing the current Capital Grants scheme the following additional principles are proposed for inclusion to provide clarity to the Capital 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.
- 8.3 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

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

## **9. WEBPAGE ENHANCEMENTS**

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

9.2 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.

9.3 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.

## **10. FINANCIAL IMPLICATIONS**

10.1 There are non-arising directly as a consequence of this report, as the budget for community grants is well established and is supported to continue with inclusion in future budgets.

10.2 The Task and Finish group will consider the budget uplift for 2025/26 and will make a recommendation to the Panel as to where this additional funding will be allocated within the overall Community Grants programme.

## **11. CRIME & DISORDER IMPLICATIONS**

11.1 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.

## **12. ENVIRONMENTAL IMPLICATIONS**

12.1 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.



### **13. EQUALITY AND DIVERSITY IMPLICATIONS**

- 13.1 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.

### **14. DATA PROTECTION IMPLICATIONS**

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

### **15. HOUSING AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL COMMENTS**

- 15.1 The Panel recognise the value of the Community Grants scheme and the need to review the process to reduce administration and provide clarity on the eligibility criteria. Implementing a matrix scoring with bands will support the process and enable longer term financial support to organisations identified as providing services that support our Corporate Plan priorities. The Panel are keen to continue the Member involvement in the Revenue Grant process and having the opportunity to discuss applications with the applicant when required. It is recognised that this is not necessary for Capital Grant applications. The Panel recommend a more detailed review of a Community Lottery funded scheme which the Task and Finish Group will report back on in due course.

### **16. PORTFOLIO HOLDER COMMENTS**

- 16.1 The Council is committed to continually supporting our annual Community Grants programme and the valued contributions this has to our communities. The review of the eligibility criteria is welcome to provide greater clarity and adopting the proposed model for the future Revenue and Capital schemes ensures that there is still Member involvement to consider, scrutinise and challenge applications and to use their knowledge to make reasoned recommendations. The additional information on our website about other sources of grant funding will help support our valued organisations that work with and support our communities.

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#### **Background papers:**

[Report](#) of the Housing and Communities Overview and Scrutiny Panel 17 July 2024