



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Review of the Neighbourhood Fund	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Corporate Management Team 18 th February 2020	X
	Leader and Deputy Leaders 24 th Feb 2020	X
	Leader's / Leader of the Opposition's Advisory Group / Independent Alliance Advisory Group 4 th & 5 th March	X
	Cabinet 16 th March 2020	
	Scrutiny Audit and Value for Money Council Services Committee [DATE] / Scrutiny Community Regeneration, Environment and Health and Well Being Committee [DATE]	



Is this an Executive Decision:	NO	Is this a Key Decision:	NO
Is this in the Forward Plan:	YES	Is the Report Confidential:	NO
If so, please state relevant paragraph from Schedule 12A LGA 1972:	[]		

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Monitoring Officer: **Angela Wakefield**

Date: 30th January 2020 Signature

Chief Finance Officer: **Sal Khan**

Date 11th February 2020 Signature

[OPEN /
PRIVATE]
AGENDA

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: 16th March 2020

REPORT TITLE: Review of the Neighbourhood Fund

PORTFOLIO: Regulatory Services and Community Support

HEAD OF SERVICE: Mark Rizk

CONTACT OFFICER: Sara Botham **Ext. No. x1038**

WARD(S) AFFECTED: All

1. Purpose of the Report

- 1.1. The Neighbourhood Fund has been in operation as a three year rolling funding programme since 2017 and comes to an end in March 2020. As all projects have now been identified with funds committed the purpose of this report is to review the funding scheme.

2. Executive Summary

- 2.1. The Neighbourhood Fund has continued to generate interest from a range of organisations across the Borough and has provided funding to a variety of different projects.
- 2.2. The Fund has provided a flexible funding opportunity for local community groups to secure an 'in principle' funding commitment whilst continue to develop and finally deliver their projects.
- 2.3. The Fund has met and exceeded all of its Corporate targets and is on track to have awarded £282,620.75 in grant funding to 28 projects with a combined total value of £2,447,366.00 by 31st March 2020.

3. Background

- 3.1. In September 2016 Cabinet made the decision to create a three year rolling programme which would provide a “one off” capital investment for projects that were identified locally and were supported by the local community. Applications would also need to demonstrate links to the Council’s corporate strategy or strategic policy documents e.g. local or neighbourhood plans or demonstrate that they had been identified through community consultation. Full details of the scheme are provided in the September 2016 Cabinet Report.
- 3.2. The Neighbourhood Fund replaced the Neighbourhood Development Fund and received its launch at an event in January 2017 at the Brewhouse Arts Centre in Burton upon Trent. The Fund officially opened to applications in April 2017.
- 3.3. Neighbourhood Fund applications were made over three stages: Stage 1 Expression of Interest; Stage 2 Presentations; and Stage 3 Final Submission. The panel that oversee the Councillors Community Fund applications also took on the responsibility for the Neighbourhood Fund and currently consists of cross party membership and an independent community sector representative. A breakdown of the funding process is included in Appendix 1.

4. Contribution to Corporate Priorities

- 4.1. Community Regeneration (CR20) Review the Neighbourhood Fund Project.

5. Review of the Neighbourhood Fund

- 5.1. The first set of stage one expression of interest forms were submitted to the funding panel for consideration at the end of May 2017 and the scheme closed to new expressions of interest at the start of September 2019. During this period 40 expressions of interest have been submitted and of these, 32 were approved to move to the next stage and 8 were rejected.
- 5.2. The first stage two presentations were made to the panel in July 2017 and the final ones were delivered at the end of September 2019. Of the 32 applications that made it to this stage, 29 applications were approved and given in-principle funding awards. One applicant withdrew before making their stage two presentation and two other applications were refused at this stage. All panel members have agreed that the presentation stage provides a valuable opportunity to talk to project leads. They are able to see first-hand the enthusiasm of applicants and ask direct questions to help clarify queries and concerns that they may have.
- 5.3. Stage three of the process is still open and requires the submission of the final application for the Neighbourhood Fund panel to confirm and sign off the funding awards. The expectation at this stage is that projects will be ready to start with all required funding and permissions in place as well firm costings for the whole project. Predominantly this was the case, although there were

slight timing delays in organising contractors to get works underway on some projects which had been out of the control of applicants. In some cases the Neighbourhood Fund grant request has reduced at the final stage based on revised project costings and other match funding that has been secured. Ten projects requested a lower grant at this stage. Two projects requested an increase in funding at this stage but only one of those was approved. This highlights the difficulty for organisations to predict exactly what funds will be required until formal quotes and costings have been provided, with most projects over-estimating costs. The Neighbourhood Fund has met all of its Corporate targets with regards to number of new applications and projects completed in its three year history.

5.4 During the three year period of the Neighbourhood Fund the number of projects receiving funding in Rural, Semi-Rural and Urban areas have been relatively evenly spread; 12, 8 and 9 projects respectively. Initial enquiries about the scheme came from organisations in all Wards, except Eton. There were just three Wards- Eton, Shobnall and Heath, that had no applications submitted and Rolleston did not receive any funding for projects as their application was unsuccessful. Appendix 2 provides a full breakdown by Ward of the number of applications made at each stage of the funding process.

5.5 The split in funding between areas has not been so even, as illustrated in Figure 2 below. The difference in the amount of funding awarded to Rural, Semi -Rural and Urban areas shows that the Rural areas had more large scale projects which required larger grant requests. Full details of the number of enquiries and applications made at each stage of the process are broken down to ward level and are set out in Appendix 2.

Figure 1: Projects supported by number and value

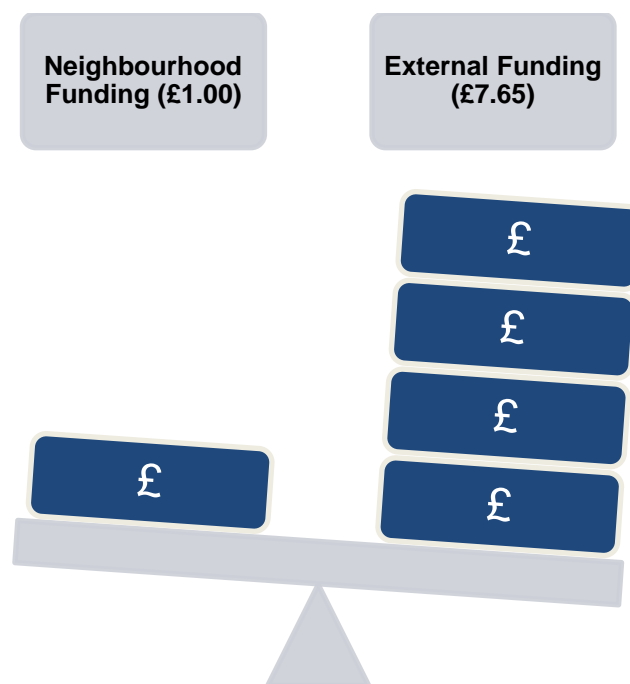


5.6 In order to enable sufficient time to process final stage applications and to ensure that all grants are paid out by the end of March 2020 the Neighbourhood Fund closed to new applications at the end of September 2019. As at the 31st January 2020 the value of expenditure agreed at Stage 3 and paid out in grants is £197,620.75 to 22 different projects. The

Neighbourhood Fund has committed (made in-principle funding awards) of a further £85,000.00 for six additional projects (three of which have progressed to final funding award stage). A full list of the projects that have been supported through the Neighbourhood Fund including funding commitments and project values can be found in Appendix 3.

- 5.7 The total project value for all successful applications to the Neighbourhood Fund is approximately £2,447,336.00 and so the Neighbourhood Fund has been matched by over £2.1 million of other funding for communities in East Staffordshire. For every £1.00 that the Neighbourhood Fund has provided an additional £7.65 has been invested from other sources to support community projects in the Borough.

Figure 2: Neighbourhood Fund investment v matched external funding



- 5.8 It is likely that some of these committed in-principle funds will not be drawn down by 31st March. For example one project that received an in-principle funding award of £20,000 at the end of the first year of the scheme has now withdrawn their application. Whilst the three year rolling programme has provided the flexibility to enable community organisations to plan and deliver projects, without being tied into a financial year, there are clearly some capacity issues for community groups with the delivery of large-scale capital projects.
- 5.9 The maximum grant available from the Neighbourhood Fund is up to 50% of the total project cost apart from in exceptional circumstances. The maximum in-principle award that was made was £25,000.00 although there was no formal funding cap (although this could be considered for any future grant programme), this has allowed the panel to use their discretion when assessing applications as they didn't wish to stifle 'good' projects coming

forwards. Advice to applicants was provided by the Neighbourhood Working team in order to manage expectations. Full details of the financial commitments made to projects at each stage and their total project values is included in Appendix 3.

Strengths and challenges with the Neighbourhood Fund

- 5.10 One of the key advantages of the Neighbourhood Fund was that it operated as a rolling programme recognising that some community projects don't fit easily into financial years, particularly projects that require significant sums of match funding, planning permission and other legal agreements to be in place before work could be undertaken.
- 5.11 Another key benefit of the Neighbourhood Fund was the in-principle funding award made by the panel at the end of the second stage presentation. By securing an in-principle funding commitment projects were in a strong position to then source and secure the required match funding for their project from both local and national funders. Some organisations have found that being able to demonstrate the support of the local authority has helped to unlock other funds for their project. For example with Abbots Bromley Sports Association's project to create a sports hub the firm funding commitment from ESBC helped to unlock funds from the Football Foundation.
- 5.12 Applications have been made by well-established community organisations including sports clubs and village halls to some newly established groups and social enterprises including beekeepers and a cycling scheme. The majority of projects that have received funding can be summarised under the following themes: Sport & Leisure facilities; Community hubs and buildings; and Environment and heritage.
- 5.13 Not all enquiries led to submission of an expression of interest to the scheme. In some cases there was some natural sifting following initial discussions with the Neighbourhood Working team around suitability for the scheme. From feedback received it hasn't suited some of the smaller projects primarily because of the length of time it can take to get an application through each of the stages of the funding process (minimum of 3 months).
- 5.14 Some projects have struggled with the 50% match funding requirement but this has always been a requirement for our capital funding scheme. The Neighbourhood Fund scheme will recognise in-kind contributions and donations as part of the 50% match funding and support is available through the Neighbourhood Working team to help organisations identify and apply for additional, external funding sources. The funding guidance stated that in exceptional circumstances grant awards of above 50% of the total project costs would be considered by the panel. This has in fact happened on three occasions to assist projects.
- 5.15 The aim of aligning projects to Neighbourhood Plans and other strategic documents has on the most part been successful. For Wards where a Neighbourhood Plan existed, projects have managed to show some alignment

with key priorities usually around safeguarding community buildings and facilities and supporting the development of sport and leisure facilities. Examples include Barton under Needwood's village square project as part of the Better Barton scheme and Denstone Parish Council's play area improvement project. There have also been links made to priorities identified in the local plan. For those without a Neighbourhood Plan or strategic document the focus was on ensuring they had carried out community consultation and therefore projects reflected the needs of their local community. For example Kingstone Community Society undertook extensive public consultation to support their project to create a community hub.

Conclusions and lessons learned

- 5.16 The operation of the Neighbourhood Fund has seen a significant investment to support a range of community projects that benefit the communities of East Staffordshire. The Neighbourhood Fund has supported projects which have secured over an additional £2million from other funding sources.
- 5.17 The Neighbourhood Fund has provided a much needed source of funding for groups and organisations working in and with the communities of East Staffordshire since April 2017. The funding landscape for community organisations has changed significantly both locally and nationally. There are fewer community grant funding programmes available and often those that do exist are over-subscribed or have specific funding priorities. The existence of the Council's Neighbourhood Fund and Councillor's Community Fund as well as general support including funding searches, bid writing and project management from the Neighbourhood Working team has helped to address this but has also highlighted some areas of concerns in terms of the capacity and sustainability of some community organisations as funding opportunities become more limited.

6. Financial Considerations

This section has been approved by the following member of the Financial Management Unit: Anya Murray

- 6.1 The table on the following page provides a summary of the overall financial position of the Neighbourhood Fund as at 06.02.2020

<u>Financial Summary of Neighbourhood Fund 2017/18 to 2019/20</u>		
As at 6.2.2020		
	£	£
Total Project Funding from ESBC ¹		300,000.00
Expenditure made	197,620.75	
Awarded but not yet claimed	37,000.00	
Total Stage 3 Final Funding Award	234,620.75	
Total Stage 2 Commitments not yet submitted ²	48,000.00	
Total Awarded		282,620.75
Funds remaining following withdrawal		17,379.25

Notes

¹ £100,000 each financial year 2017/18 to 2019/20

² See paragraph 5.8 may not all be drawn down by 31 March 2020

Ref: Appendix 3 Neighbourhood Fund commitments, expenditure and project values to date

- 6.2 The remaining monies of £17,379.25 will be released towards other schemes in the capital programme.

7. Risk Assessment and Management

- 7.1. The main risks to this Report and the Council achieving its objectives are as follows:

7.2. **Positive** (Opportunities/Benefits):

7.2.1. Three year investment through provision of grant funding and support to communities in East Staffordshire.

7.2.2. The three year rolling programme gave flexibility to projects, enabling them time to plan and deliver their projects without being tied to financial years.

7.2.3. The formal three stage process ensure that projects submitting applications are committed to delivering their projects.

7.2.4. Improvements to spaces and facilities available to communities across East Staffordshire.

7.2.5. Links to identified community needs.

7.2.6. Build capacity with community groups and organisations.

7.3. **Negative** (Threats):

7.3.1. The Neighbourhood Fund will cease to exist after 31st March 2020 bringing an end to the three year rolling programme of funding.

7.3.2. The 50% funding threshold has caused some difficulties for some organisations and may have been a barrier to some organisations particularly given the reductions in the amount of grant funding available from other sources.

7.3.3. The length of time it can take to move through the three stage process is not suited to smaller projects or those that are responding to an unplanned need e.g. emergency building work.

7.4. The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

8. **Legal Considerations**

This section has been approved by the following member of the Legal Team: Angela Wakefield.

8.1. There are no significant legal issues arising from this Report.

9. **Equalities and Health**

9.1. **Equality impacts:** The subject of this Report is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is not required.

9.2. **Health impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed. An equality and health impact assessment is not required.

10. **Human Rights**

10.1. There are no Human Rights issues arising from this Report.

11. **Sustainability** (including climate change and change adaptation measures)

11.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) Yes

11.2. Please detail any positive/negative aspects:

Positive (Opportunities/Benefits)

11.2.1 The availability of grant funding could be used to support projects aimed at addressing sustainability. For example a grant was provided to

support the development of a training apiary for a group of local beekeepers which will also lead on educational and training sessions for the local community.

Negative (threats)

11.2.2 There are no negative aspects.

12. **Recommendation(s)**

12.1. Members note the contents of this report

12.2. Members consider whether committed funds should be carried forward beyond 31 March 2020 to enable these projects to be delivered and if a timescale should be set for this.

13. **Background Papers**

13.1. Implementing a New and Improved Neighbourhood Working Programme

13.2. The New Neighbourhood Fund Implementation Review

14. **Appendices**

14.1. Appendix 1: Neighbourhood Fund process

14.2. Appendix 2: Neighbourhood Fund enquiries and applications

14.3. Appendix 3: Neighbourhood Fund commitments and expenditure