

# CABINET

## Second Homes Funding 2012 - 2013 24 July 2012

### Report of Head of Community Engagement

PURPOSE OF REPORT				
This report is to allow Cabinet to consider and confirm arrangements for application and decision making processes for Second Homes Funding for 2012 – 2013				
Key Decision	X	Non-Key Decision	Referral from Cabinet Member	
Date Included in Forward Plan	21 June 2012			
This report is public				

#### RECOMMENDATIONS OF Head of Community Engagement

It is recommended that:

- (1) Cabinet approves the proposed arrangements to allocate £294,808 of Second Homes Funding through an open bidding process to Voluntary, Community, Faith and Arts organisations
- (2) The fund is promoted as the *Take Pride* Community Fund
- (3) An advisory panel is established to consider funding applications, recommend allocations and oversee progress with final funding allocations being determined by Cabinet
- (4) Cabinet nominates relevant city council portfolio holders and requests Lancashire County Council to nominate the relevant county council portfolio holder to act as members of the advisory panel
- (5) Applications are now invited for investment grants leading to development of the Voluntary, Community and Faith sector and the Arts sector in line with the options agreed by Cabinet in May 2012 (Minute 8 refers)
- (6) Cabinet considers the specific urgent request for funding support from Carnforth Local Information Centre
- (7) The remaining £13,847 of unallocated Second Homes funding from 2011 – 2012 is used to provide the necessary administration resources to ensure the funds are managed and monitored in line with the council's role as accountable body and county council requirements

## **1.0 Introduction**

- 1.1 At its meeting on the 29<sup>th</sup> May 2012 Cabinet noted the availability of around £290,000 of SHF (Second Homes Funding) for 2012-13 and supported using it in a variety of ways *“to address issues and develop opportunities for the Voluntary, Community and Faith and the Arts sector.”* (Minute 8 refers)
- 1.2 It was requested that a further report be brought back to Cabinet setting out detailed proposals on the management and administration arrangements for a bidding process to allocate SHF. Cabinet requested that the funds support a combination of all of the options presented in the report, which include:
- Infrastructure support
  - Premises and accommodation
  - Volunteering Coordination
  - One-off investment grants
  - Smaller grants to invest in small scale developments

## **2.0 Proposal Details**

- 2.1 As this is a single opportunity for the council to invest in VCF and Arts development, it seems appropriate to brand the fund to reflect the aspirations behind the scheme and also the council's positive approach in encouraging local pride. To reflect this, it is proposed that this fund is promoted as the “Take Pride Community Fund”.
- 2.2 In order to fairly, effectively and transparently allocate this funding, it is proposed that organisations in the Voluntary, Community and Faith (VCF) and the Arts sectors are invited to bid for funding to provide infrastructure support, develop premises, coordinate and support volunteering and develop longer term sustainability for their organisations and key services.
- 2.3 A decision making panel will be required to determine which bids are supported at Expression of Interest stage and also for final approvals and grant allocations. It is proposed, as part of this report, that Cabinet appoints the relevant city council portfolio holders to the panel and that a nomination is requested from Lancashire County Council for a relevant county council portfolio holder.
- 2.4 To support the decision making panel, officers will provide co-ordination and technical support, including checks to ensure applications are complete and that proposals are eligible and deliverable. Following this, appraisal panels with the relevant expertise will be established to assess bids against the scheme criteria. The views of relevant partners may be sought throughout these processes to ensure the best information possible is available to the decision making panel.
- 2.5 It is proposed that applications are two stage with an initial Expression of Interest followed by full application, both to be appraised in line with scheme criteria. A final decision on successful bids will be made in October /November 2012.
- 2.6 Potential proposals vary considerably and have different requirements for funding and different kinds of outcomes. To address this, it is recommended that applicants have the opportunity to bid for smaller or larger grants, providing a clear justification for the level of grant requested:

Up to £50,000 – likely to be collaborative bids to support important proposals, leading to lasting improvements or benefits, increased sustainability and advantages for a number of organisations. Indicative total of £180,000 available.

Up to £10,000 – individual bids that require less funding and may be delivered in the shorter term but lead to the development and increased sustainability of individual organisations and services in the future. Indicative total of £114,800 available (balance of funds).

- 2.7 Although indicative totals of £180,000 and £114,800 respectively are proposed, it is recommended that the advisory panel is able to recommend variations to these limits, within the overall funds available, taking into account relevant factors including demand, the strength of proposals submitted and the value of benefits to be delivered.
- 2.8 Officer support will be provided to potential bidders throughout the process, including workshop events that advise on the application process, criteria and decision making arrangements in detail.
- 2.9 The staff resource currently in place to effectively administer the application, allocation and monitoring processes for Second Homes Funding will not be available after September 2012. It is therefore proposed that the remaining unallocated SHF of £13,847 from 2011/12 is used to extend support for scheme co-ordination, to ensure that the council's accountable body requirements and those of Lancashire County Council are met.
- 2.10 A summary of outline arrangements is attached at **Appendix A**

#### **Carnforth Local Information Centre**

- 2.11 Cabinet at its meeting on 19<sup>th</sup> January 2010 resolved that:  
*“That Cabinet approves the use of the additional grant allocation of £52,631 for initiatives to support temporary re-use of vacant shops and other retail support measures in Lancaster, Morecambe, and Carnforth, to be split approximately as £22,000 each for Lancaster and Morecambe and £8,000 for Carnforth. (Min. No.109 refers)*
- 2.12 A detailed proposal and business case was submitted to bring an empty shop unit at Carnforth Railway Centre back into use in August 2010. The unit was to be used to home a local Information Centre, to, *“provide a first class, face-to-face information service for visitors to the area. This will encourage walking, cycling and travel by train and bus to the various amenities within easy reach of the town centre. We will work in partnership with local businesses to promote Carnforth and its surrounding attractions”.*
- 2.13 The Information Centre proposal was approved and received an offer letter which detailed that the Chamber had been allocated a sum not exceeding £8,000 and it was made clear at that time that no further would be available beyond the grant funding.
- 2.14 The business case for the Information Centre anticipated income being generated through various sources leading to a small surplus in Years 1 and 2. Unfortunately that income was not generated with the result that unless further financial support is allocated, the centre will close shortly as it is unable to meet the rental cost of the

unit. A specific urgent request is being made to Cabinet to allocate £8,000 of Second Homes funding to cover the rent for this year and the next. This would provide more time for the centre to put itself on a firmer financial footing.

### 3.0 Details of Consultation

3.1 Discussions have taken place with Lancashire County Council on an informal basis. In addition, officers are monitoring issues and opportunities in relation to the VCF and Arts sectors via the current Service Level Agreements and more informally as part of a range of current partnership working arrangements. The issues and opportunities have been identified as part of these processes.

### 4.0 Options and Options Analysis (including risk assessment)

	<b>Advantages</b>	<b>Disadvantages</b>	<b>Risks</b>
<b>Option 1</b> <b>A two fold process to include smaller and larger grants with indicative allocations</b>	<p>Flexible approach that allows funds to be steered towards projects of all sizes</p> <p>Inclusive and accessible for organisations of all sizes and varying capacity</p> <p>Allows investment in both larger, collaborative initiatives with longer term benefits and also specific initiatives assisting individual organisations and the services they deliver</p> <p>Likely to promote good value for money by encouraging applications for funding at levels appropriate to the size and scope of the project</p>	<p>Range of proposals likely to be broader making decision making processes more complex</p>	<p>Categories will need to be treated separately to ensure fair consideration of bids</p>
<b>Option 2</b> <b>All grants limited to £10,000, or agreed alternative ceiling, to support individual bids to support development and sustainability</b>	<p>Easier to access for all eligible organisations</p> <p>Possible to approve more individual applications</p>	<p>Larger initiatives creating higher, longer term benefits would not be eligible.</p> <p>No scope to underpin support structures which are required by many organisations</p> <p>Lost chance to increase sustainability, develop sector wide opportunities and achieve efficiencies in relation to VCF and Arts organisations for the future</p> <p>Administrative costs likely to increase</p>	<p>None specifically noted</p>
<b>Option 3</b> <b>All grants limited to £50,000 or agreed alternative ceiling,</b>	<p>All funds focused on larger initiatives with wider and longer term benefits</p>	<p>Likely to exclude smaller organisations</p> <p>Likely to preclude specific, smaller scale but useful</p>	<p>None specifically noted</p>

to support larger collaborative bids to create longer term sustainable benefits across organisations		initiatives	
<b>Option 4 Carnforth Local Information Centre is funded, at this stage, within Options 1 and 2</b>	This would provide the funding to allow the Information Centre to continue for a further two years	No means of assessing the proposal against scheme criteria No current arrangements in place to assist other organisations facing immediate difficulty.	No clear business plan has been submitted and assessed so no way to ascertain whether the Information Centre will be able to operate at a sustainable level after funding has ceased

### 5.0 Officer Preferred Option (and comments)

The officer preferred option is **Option 1**. This approach is accessible to more potential applicants and encourages a broader range of proposals. Any additional complexity arising from this is likely to be very manageable within the processes proposed.

Cabinet members views are sought on Option 4, which can be considered alongside the funding arrangements described in Option 1 or 2.

### 6.0 Conclusion

6.1 The VCF and Arts sectors are important to the local economy and also in terms of the valuable services they deliver. However, both sectors are affected by the impact of funding cuts and other economic factors. The funding available provides an invaluable opportunity to generate new ideas, promote cooperation and deliver benefits for the district. Key themes of the proposed bidding arrangements are longer term sustainability and building on collaboration, to create the resilience needed for the future so that services and benefits for the district are protected.

#### RELATIONSHIP TO POLICY FRAMEWORK

Requirements for the use of the available Second Homes funding are entirely consistent with the Priorities, Outcomes, Success Measures and Actions identified in council's Corporate Plan 2012 - 15

#### CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Sustainability is identified as one of the core criteria for funding but other impacts will be specifically identified and considered as individual projects or schemes come forward

#### LEGAL IMPLICATIONS

The council will be required to enter into an agreement with Lancashire County Council in relation to Second Homes funding. No specific legal implications are identified at this stage.

#### FINANCIAL IMPLICATIONS

As accountable body, the council will be required to manage Second Homes funding in line with existing arrangements. Specific financial implications may arise in relation to individual

projects and schemes and these will be considered as part of agreed reporting processes.

The carry-forward of any unspent funds at the end of the 2012-13 financial year will need to be approved by Lancashire County Council. This constraint will need to taking into consideration at both project and programme level to ensure that funding can be fully reclaimed. Project sponsors will need to be aware of this possible risk.

Confirmation has been received from Lancashire County Council that the £13,847 of SHF from 2011-12 can be carried forward to 2012-13. This sum is therefore available to the City Council to increase the funds available to allocate as grant or to use in providing resources to administer the process. The staff resources to administer Second Homes funding, which are also funded by Second Homes funding but were allocated by the LSP (Local Strategic Partnership) are currently available until September 2012. If approved, Recommendation 7) will allow the staff resources to be extended to provide support for this funding programme. If not approved, consideration of existing workloads and priorities would be required.

#### **OTHER RESOURCE IMPLICATIONS**

##### **Human Resources:**

No specific implications identified at this stage

##### **Information Services:**

None

##### **Property:**

No specific implications identified at this stage

##### **Open Spaces:**

None

#### **DEPUTY SECTION 151 OFFICER'S COMMENTS**

The Deputy Section 151 Officer has been consulted. Members are advised that in considering the recommendations, due account should be given to the administrative implications and any impact on the Council's priorities and associated workloads.

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

#### **BACKGROUND PAPERS**

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# ‘Take Pride Community Fund’ Management arrangements

## Suggested Timeline

- |                   |   |
|-------------------|---|
| • 24 July         | Cabinet considers bidding process                           |
| • 1 August        | Expressions of Interest invited                             |
| • Mid-late August | Funding workshops held                                      |
| • 5 September     | Deadline for Expressions of Interest                        |
| • w/c17 September | Advisory panel to agree feedback on Expressions of Interest |
| • 10 October      | Deadline for final bids                                     |
| • w/c 15 October  | Advisory panel meets to consider applications               |
| • 6 November      | Recommendations considered by Cabinet                       |

## Launching of the scheme

Details of the Take Pride Community Fund and the application processes will be widely circulated via partners, press, and on line. Full application packs including guidance, application processes and criteria will be available to potential applicants.

Funding workshops will be held in mid-late August to provide further advice and guidance as necessary and officers will be available throughout the submission period to answer questions.

## Expression of Interest Stage

The Expression of Interest stage is recommended to assist applicants by allowing them to receive early feedback on their outline proposals so that can determine if they wish to proceed to the full application stage. This stage will also allow the council to assess the level of interest and any competing demands.

At Expression of Interest stage, to reduce burdens on applicants, a limited number of questions will be asked, and there will be a page limit for submissions. However, every organisation will need to evidence the local need for their project, provide clear outcomes and demonstrate a realistic approach to financing the project.

Expressions of Interest will undergo an initial check to ensure all required information is available, applicants are eligible, proposals within the scope of the scheme and are likely to meet the agreed scheme criteria. Wherever possible, officers will seek to work with interested organisations well ahead of deadlines to resolve any issues in good time.

Expressions of Interest and feedback from initial assessments will be presented to the advisory panel on w/c 17 September. This process will be based on the criteria set out in the report to Cabinet of 26 May, which are:

- a) **Links to identified priorities:** Clear indication of how services will assist the council in delivering its priorities and desired outcomes and support delivery of other approved strategies

**b) Deliverability:** Assurance that there are no major barriers that could negatively affect delivery of the project.

**c) Quality Assurance:** The project can demonstrate it can be delivered within budget, timescale and to the required standards.

**d) Value for Money:** Evidence that the project is economic, efficient and effective and the return on investment can be clearly identified. Also that leverage and match funding from other sources has been achieved wherever possible.

**e) Additionality/Cooperation:** Evidence that opportunities to add value to other initiatives in the district have been sought and acted upon wherever possible and that duplication is avoided. Alignment with other partnership projects and initiatives.

**f) Sustainability:** Information to show how services can become more self sustaining in the future with a reducing reliance on short-term grants. Efficiencies have been achieved where possible.

**g) Collaboration:** Joint submissions where opportunities for collaborative working and shared delivery of services have been sought and proposals developed.

Feedback can then be provided to applicants to assist them in developing a full bid, if they wish to proceed. The advisory panel may also wish to advise applicants if it is perceived that their proposals could be strengthened by collaborating with other partners and potentially submitting a joint application.

## **Application Stage**

It is expected that at this point applicants will be able to provide more substantial information in relation to all of the criteria. Greater levels of evidence, assurance and definition of outcomes will be required. Collaboration between organisations and /or joint submissions will be actively promoted where this is appropriate.

Once the final bids have been submitted officers will undertake an appraisal of each submission against the agreed criteria and provide an appraisal report for consideration by the advisory panel. The panel will then meet to determine which bids will be recommended to Cabinet for approval.

## **Decision Stage**

To assist Cabinet in making funding allocations at its meeting in November, information will be provided for each bid. This will include details of applications and supporting information, appraisal summaries to indicate where the criteria for the scheme are met and also recommendations and comments from the advisory panel.

## **Release of funding and ongoing support**

Grant offers will be made for successful projects specifying the terms and conditions of the grant. The council will normally release funds for successful projects after expenditure has been incurred and a formal claim with supporting evidence has been made. In certain circumstances, advance payments can be made but specific agreement for this will be required. Regular monitoring of projects and reporting will be undertaken in line with the council's normal arrangements for external funding.