



REPORT OF:	HEAD OF CORPORATE POLICY & PERFORMANCE
AUTHOR:	Gavin Handford
TELEPHONE:	01737 276027
E-MAIL:	Gavin.Handford@reigate-banstead.gov.uk
TO:	EXECUTIVE
DATE:	3 DECEMBER 2015
EXECUTIVE MEMBER:	COUNCILLOR V.W. BROAD

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	ALL

SUBJECT:	NEIGHBOURHOOD IMPROVEMENT FUND
RECOMMENDATIONS:	
<p>(i) The S151 Officer be authorised to transfer £190,000 from New Homes Bonus into a new special revenue budget for the Neighbourhood Improvement Fund;</p> <p>(ii) The Head of Health & Wellbeing be authorised, in consultation with the Leader of the Council, to approve grants up to £10,000 from the Neighbourhood Improvement Fund; and</p> <p>(iii) The Head of Health & Wellbeing be authorised to establish an application process, including appropriate checks and criteria, to support the allocation of funding from the Neighbourhood Improvement Fund.</p>	
REASONS FOR RECOMMENDATIONS:	
<p>The establishment of a Neighbourhood Improvement Fund will support small community projects. The use of New Homes Bonus is in line with the Government's guidance to fund community infrastructure.</p>	
EXECUTIVE SUMMARY:	
<p>The Leader of the Council has previously announced the intention to provide low level funding to support community based infrastructure projects. This report sets out proposals to establish a Neighbourhood Improvement Fund to meet this aim.</p> <p>It is proposed that New Homes Bonus is allocated to support the Neighbourhood Improvement Fund and that a simple application process is utilised to enable Ward Councillors to develop community based projects and proposals that deliver new assets, or improve existing assets, for the benefit of the local community.</p>	

Recommendation (i) is subject to approval by Full Council. Recommendations (ii) and (iii) can be approved by the Executive.

STATUTORY POWERS

1. The Council has no statutory obligation to provide community grants but has general powers of competence under section 1 of the Localism Act 2011 to do anything that individuals with full capacity generally may do, subject to the provisions of the Act.
2. The Council can decide how to spend the New Homes Bonus. However, Government guidance sets out an expectation that local councils consult communities about how they will spend the funding.

BACKGROUND

3. The Leader of the Council has previously announced the intention to provide low level funding to support community based infrastructure projects.
4. This report sets out proposals to establish a Neighbourhood Improvement Fund to meet this aim.

ESTABLISHING A NEIGHBOURHOOD IMPROVEMENT FUND

5. The Council currently provides the following grant funding opportunities:
 - Councillor Community Awards: this provides small grants to local projects, up to £500, determined by the local ward Councillors
 - Capital Grant Funding: this provides one or two grants per year (up to £20k in total) to support local capital projects, such as community halls. Grants are prioritised towards schemes that lever in significant match funding.
 - Core Funding: this provides larger grants to support voluntary and community sector organisations to provide core services that benefit the local community. Examples include the Citizens Advice Bureau and local Arts Council.
6. There is a gap between the small grants available under the Councillor Community Awards and the larger grant available under the Capital and Core Funding schemes, which may be harder to access for smaller community based organisations and community led projects.
7. The Leader of the Council has therefore promoted a new funding scheme (Neighbourhood Improvement Fund) offering higher levels of grant funding to ward based projects that deliver local community infrastructure.
8. It is proposed that an allocation of £10,000 per ward be included within the Neighbourhood Improvement Fund. There are nineteen wards within the borough, requiring an allocation of £190k. This will provide sufficient funding to pilot the approach and review the success of any grants made under the scheme.

OBJECTIVES OF THE NEIGHBOURHOOD IMPROVEMENT FUND

9. The main objective is to support community led infrastructure projects. The funding will support community projects that deliver new assets, or improve existing assets, for the benefit of the local community.

APPLICATION PROCESS

10. Applications will be made by local Ward Councillors, utilising a simple application form available from the Partnerships Coordinator.

11. Ward Councillors should undertake local community consultation to identify potential projects.
12. Some basic criteria have been established to guide applications:
 - Projects/proposals must provide a demonstrable benefit to the local ward(s)
 - Projects/proposals must have the support of all Councillors within the relevant Ward(s)
 - Projects/proposals must be able to demonstrate local community support
 - Projects/proposals must not incur ongoing maintenance or operating costs for the Council. Where there are ongoing costs, the project must clearly set out plans for how these are to be met from other sources.
 - Any asset resulting from grant funding must be available to anyone within the community.
13. Favourable consideration will be given to proposals that lever funding from other sources (e.g. local community fundraising), although this is not a pre requisite for applications.
14. The Community & Special Projects Group will review all applications to provide an independent check on the proposed benefits and ensure that there are no ongoing financial implications for the Council. Their comments will be considered prior to any application being determined.
15. It is recommended that the determination of applications made to the Neighbourhood Improvement Scheme be delegated to the Head of Health & Wellbeing, in consultation with the Leader of the Council. This is consistent with existing grant funding schemes.

NEW HOMES BONUS

16. The New Homes Bonus is a grant paid by the Government to local councils for increasing the number homes within their area.
17. The Government introduced the New Homes Bonus in April 2011. The bonus was designed to ensure that the economic benefits of housing growth are returned to the councils and communities where that growth takes place.
18. For very new home built and occupied in Reigate & Banstead, and every long term empty home brought back into use, the Government gives the Council a New Homes Bonus grant each year for six years. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long term empty homes brought back into use. There is also an extra payment for providing affordable homes.
19. Local councils can decide how to spend the New Homes Bonus. However, local councils are expected to consult communities about how they spend the money.
20. The New Homes Bonus is a short term grant scheme, and we have therefore opted to place all grant received under this scheme into a separate special reserve fund. Funding is allocated to specific projects as and when they are identified.
21. It is recommended that funding from the New Homes Bonus reserve be utilised to support the Neighbourhood Improvement Fund.

OPTIONS

22. The following options are available to the Executive:
23. Option 1: Approve the recommendations to establish a Neighbourhood Improvement Fund. This will enable the Council to provide financial support for community based infrastructure. **It is recommended that the Council approve this option.**
24. Option 2: Approve the recommendations to establish a Neighbourhood Improvement Fund, but with a different level of funding, or with funding provided from a different source. Whilst the Executive could approve a higher or lower level of funding, the proposed transfer of £190k is considered an appropriate amount to pilot this approach. The New Homes Bonus is also considered the most appropriate funding source, since Government guidance encourages community consultation regarding spending. **This option is not recommended.**
25. Option 3: Refuse the recommendations. This will maintain the Council's New Homes Bonus reserve but will not support community infrastructure projects. **This option is therefore not recommended.**

LEGAL IMPLICATIONS

26. There are no legal implications to consider.

FINANCIAL IMPLICATIONS

27. The report proposes the allocation of New Homes Bonus funding. This funding is currently held within a separate revenue reserve.
28. At the end of the 2014/15 financial year, the New Homes Bonus reserve had a balance of £5.2m. If the recommendations are approved, the remaining balance will be £5.01m, although this will increase when the 2015/16 funding is received from Government. The Government has announced that Reigate & Banstead will receive £3.06m in 2015/16.
29. The application process will ensure that any proposal that seeks funding under the Neighbourhood Improvement Fund is sustainable, with funding in place to support any ongoing revenue or maintenance requirements.
30. It is anticipated that the approach to, and principles for, the use of the neighbourhood element of the Community Infrastructure Levy (CIL) will be aligned to the Neighbourhood Improvement Fund, providing scope for CIL to act as an ongoing sustainable funding source for the scheme.

EQUALITIES IMPLICATIONS

31. The use of a standard application process will ensure that all requests for funding under the Neighbourhood Improvement Fund are treated fairly and consistently.

RISK MANAGEMENT CONSIDERATIONS

32. There are no risk management considerations arising from this report.

CONSULTATION

33. The contents of this report have been subject to internal consultation with Finance, Legal and Policy teams.

34. The Community & Special Projects Group will review applications, with comments considered by the Head of Health & Wellbeing and Leader of the Council prior to determining any application.

POLICY FRAMEWORK

35. The Councils 5 Year Plan sets out our aim to support community action and self-responsibility to overcome local challenges. Ward Councillors will have an important role in supporting and encouraging this activity. The Neighbourhood Improvement Fund will provide some financial support for such initiatives.

Background Papers:

1. Our 5 Year Plan 2015-20
http://www.reigate-banstead.gov.uk/download/downloads/id/610/our_5_year_plan_2015-20