

Communities Capital Fund

- To: Communities, Social Mobility, and Inclusion Committee
- Meeting Date: 21 July 2022
- From: Interim Service Director, Communities and Partnerships, Paul Fox
- Electoral division(s): All
- Key decision: No
- Outcome: The paper aims to establish a clear governance process so that the Committee may review and make decisions on a group of Community Capital Fund projects that have not been completed. The process aims to ensure that further spend will meet the requirements of the Council's Grants to External Organisations Policy, particularly the requirement that grant expenditure is in line with the Council's objectives and is a cost-effective way of achieving the desired outcomes.
- The above requirements will also apply to a new round of capital project funding.
- Recommendation: The Committee is asked to:
- a) Note the progress of the projects awarded funding by the Communities Capital Fund, including eight projects that remain incomplete;
 - b) Agree to the formation of a Capital Fund Steering Group, as set out in section 4 of the report;
 - c) Subject to recommendation b), agree the draft Terms of Reference for the Capital Fund Steering Group, attached at Appendix 1 of the report;
 - d) Subject to recommendation b), nominate seven Members to the Steering Group in alignment with political proportionality of the Council; and
 - e) Agree to the proposals set out in Section 6 for the use of currently unallocated funds and further money that is currently allocated to incomplete projects but may be returned to the Fund in the future.

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1. Background

- 1.1 The Cambridgeshire Communities Capital Fund (CCF) was launched on 1 April 2020 and set aside £5m to help support community-led capital projects across the County to improve health, wellbeing, social and economic opportunities.
- 1.2 The fund contributed up to £500k capital funding for projects. The eligibility criteria for the fund indicated that it should be awarded only where all other sources of funding have been exhausted, or where Council funding would provide match funding alongside other sources of funding.
- 1.3 Expressions of interest for the fund and the later full project proposals were submitted to officers who managed a process of application, assessment and review. A Member-led panel then made recommendations to the Committee on which projects to fund.
- 1.4 Over a period of May to September 2020, the Communities and Partnership Committee awarded funding to 35 projects. Grant agreements and payment schedules for each project were then developed.
- 1.5 The purpose of this report is to update members on the delivery of the programme. Specifically, it recommends a governance structure and review process to enable the Committee to make decisions on eight 'red-rated' projects that have failed to progress or remain incomplete.
- 1.6 The report also considers the use of money currently available to the fund and to any further monies returned to the fund for reallocation, should 'red-rated' projects not proceed.
- 1.7 It is not the purpose of this paper to discuss individual projects or allocate resources to individual projects.

2. Programme Update – Governance

- 2.1 In April 2021, programme management of the CCF was passed to the Think Communities Service. Officers worked with Audit, Finance and Strategic Asset colleagues to set up management and governance arrangements for the fund from this point.
- 2.2 These arrangements intended to improve some areas of assurance identified by an internal review. These related to:
 - (i) Project monitoring arrangements
 - (ii) Documentation and release payments
 - (iii) Oversight of the programme by committee
- 2.3 As a result of the above:
 - (i) All funded organisations are required to provide quarterly project monitoring updates to demonstrate progress.
 - (ii) Funds are only released (on receipt of an invoice) once project monitoring demonstrates the project is progressing according to the milestones set out in the project plan.

(iii) Quarterly Monitoring Reports on the Fund were received by the Committee in June, September, and December 2021 and in March 2022.

3 Programme Update – Project Status

3.1 Of the original 35 projects funded by the CCF, 26 have been completed:

- i. Burwell – Refurbishment of Gardiner Hall
- ii. Bartlow - Stable Conversion
- iii. Brampton – Men’s Shed
- iv. Cambourne – Youth Building
- v. Christchurch Community Centre – Outdoor equipment
- vi. Eversden – Playground refurbishment
- vii. Friday Bridge Tower Hall
- viii. Gorefield – Gorfield Community Centre
- ix. Great Shelford and Stapleford – Youth Initiative
- x. Great Shelford Parish Council – Playscape initiative
- xi. Hauxton Parish Council – Hauxton Village Hall
- xii. Hilton – Hilton Village Hall
- xiii. March – Eastover Par
- xiv. March – West End Park
- xv. Melbourn – Melbourn Community Hub Extension
- xvi. Overcote – Enhancements to Overcote
- xvii. Ramsey – Ramsey Pavilion
- xviii. Sawtry – Skate Park
- xix. Sawtry – Man Cave
- xx. Soham – Soham Mill Restoration
- xxi. Somersham – outdoor play equipment
- xxii. Stilton – Play equipment
- xxiii. Swaffham Prior – Village Hall
- xxiv. Winwick – Village Hall upgrade
- xxv. Woodhurst - Village Hall upgrade
- xxvi. Wisbech - Market Place

3.2 One project, the March Sports Association, will not proceed. The funding associated with that project may now be considered unallocated.

3.3 The remaining eight projects are all considered ‘red-rated’, and are listed in Table 1.

Table 1: Communities Capital Fund ‘Red Rated’ Projects

Location	District	Applicant	Project description	Funding awarded	Total ACTUAL payments to date	Amount outstanding £
Fenstanton	Hunts	Fenstanton Village Hall Trust	Fenstanton Community Hub - New community centre.	£500,000	£ -	£500,000
Girton Parish Council	South Cambs	Girton Parish Council	Remodel and extension of Girton Pavilion.	£275,000	£ -	£275,000
Godmanchester Football & Sports Association Trust	Hunts	Godmanchester Sports Football Association Trust	Improvements to the club house and access road	£220,000	£ 165,000	£55,000
Godmanchester Town Council	Hunts	Godmanchester Town Council	Godmanchester Community Nursery - Improve access to the site, and increase capacity.	£190,000	£ 180,000	£10,000
Kimbolton Parish Council	Hunts	Kimbolton Parish Council	Provision of a humpbacked crossing on the B645 Thrapston Road.	£23,591	£ -	£23,591
Littleport Community Hub	East Cambs	Littleport Parish Council	New Youth and Community Centre	£406,000	£ 206,000	£200,000
Stretham	East Cambs	Stretham Parish	Stretham Village Centre - A new community hub.	£500,000	£ 90,000	£410,000
Wisbech - Park Pavilion	Fenland	Fenland District Council	FDC - Wisbech Park Pavilion - A new hub for community activities.	£240,000	£ -	£240,000
				£2,354,591	£ 641,000	£ 1,713,591

4 Proposed Governance Process – Project Review

- 4.1 Though they are all defined as 'red-rated', the projects listed in Table 1 should not be considered a homogeneous group. Some projects are near completion, while others have made little or no progress. Some have drawn down the majority of their CCF award, others have drawn down nothing at all. Some cite delays due to the impact of the Covid-19 pandemic, others have more fundamental issues. Some wish to amend their original agreements, others are simply seeking an extension of the grant agreement.
- 4.2 Given the different issues facing each project, a blanket determination on their future cannot be made. Rather, it is proposed that a process is adopted where each project is subject to individual review by a Member-led Steering Group.
- 4.3 These project reviews shall consider whether the project has a realistic chance of completion and meeting its original objectives within the resource still available to it from the CCF. This review will include the following assessments:
- The progress the project has made to date
 - Why the project is still incomplete
 - The barriers the project still faces
 - What actions would be needed to overcome those barriers
 - The amount of money already paid by the CCF
 - The amount of money still to be awarded from the CCF
 - The situation regarding the match funding elements of these projects
 - Whether the project is likely to meet its original objectives
 - Whether there is continued community support for the project
- 4.4 Based on its review, the Steering Group will then make recommendations to the Communities, Social Mobility and Inclusion Committee on the future of these projects. The recommendations will be based solely on the project review. There is no expectation that either the Steering Group or the Committee will begin with an assumption that these projects will be supported to completion.
- 4.5 As part of the review process, projects may request a variation or extension to their grant agreement. Where such a request is made, the request should be subject to the same criteria as set out in paragraph 4.3 of this report.
- 4.6 Variation requests cannot include requests for an increased grant allocation. The Council's Grants to External Organisations Policy, attached at Appendix 2, is clear that such requests must be considered as new applications.
- 4.7 After its review, the Steering Group shall make a recommendation to the Committee on each project. Those recommendations will invite the Committee to agree one of the following:
- (i) To terminate the grant agreement on the grounds that project completion is unlikely, or that project completion would not achieve the original outcomes in a cost-effective way;

- (ii) To extend the existing the grant agreement with no amendments other than those relating to milestone and completion dates;
- (iii) To agree a request to amend the project plan where that request is either cost neutral or results in the project requiring an amount less than the financial allocation originally awarded (and where the original outcomes that led to the award of the funding can still be met); or
- (iv) To invite the project to submit a new application for funding to allow it to complete the project.

- 4.8 Where termination is recommended, the Committee should be aware of initial legal advice that indicates that project termination based on missed milestones may not be reasonable if those delays have been caused by the pandemic. However, the Committee should also note that the grant agreements that underpin these projects state that 'the Funder may at its discretion withhold or suspend payment of the Grant and/or require repayment of all or part of the Grant.'
- 4.9 Before recommending a project to submit a new application as set out in paragraph 4.7(iv) of this report, the Steering Group and Committee should consider all of the criteria set out in paragraph 4.3 with particular attention to the primary cause(s) of the delay to the project, the degree of project completion and the amount of extra resource that would be needed to complete the project.
- 4.10 A draft Terms of Reference for the Steering Group is attached at Appendix 1.
- 4.11 The first meeting of the Steering Group can be undertaken in mid-August, which will allow time for project review documentation and variation requests to be received from the funded organisations.

5 Current Financial Position

- 5.1 Overall financial position:
- Total Capital Fund: £5,000,000
 - Total funding allocated to projects: £4,960,000
 - Total funding paid to date: £3,012,409
 - Funding allocated by returned (project terminated) £234,000
 - Funding allocated but not yet paid: £1,713,591
- 5.2 Red rated projects (eight uncompleted projects listed above):
- Total funding allocated to red-rated projects: £2,354,591
 - Total payments made to these projects: £641,000
 - Funding allocated to these projects but withheld as milestones not achieved: £1,713,591
- 5.3 Unallocated funding and money released due to projects not being completed:
- £274,000 from the original fund is currently unallocated.

6 Reallocation of Unspent or Returned Funds

- 6.1 As indicated in paragraph 5.3, the fund currently has £274,000 to allocate. However, this may rise to as much as £1.99m, depending on the outcome of the review of the eight projects in Table 1.
- 6.2 It is therefore recommended that before any new grant funding round is undertaken, the review of the eight red-rated projects should first be completed so that the total financial envelope for the new funding programme be known. No new resource will be allocated to this programme.
- 6.3 When the total financial envelope is known, a new funding programme should be launched. This new programme should be consistent with the Council's Grants to External Organisations Policy which sets out clear criteria for application, due diligence of applicants, assessment of applications and award of grants. The policy also sets out that grant awards should be in line with the Council's objectives.
- 6.4 Grants awarded under this programme should clearly support the delivery of the priorities set out in the Councils Strategic Framework 2022-23 (or subsequent version). To reinforce this change of focus, it is suggested this funding round be known as the Cambridgeshire Priorities Capital Fund.
- 6.5 As set out in paragraph 4.7(iv), one possible outcome of the review process for red-rated projects is that a project be invited to submit a new application for funding to allow it to complete the project. The Council's Grants to External Organisations Policy indicates that these must be treated as new applications. However, the policy does not contain an absolute requirement to openly advertise all grants, so any such applications may be reviewed in advance of an open call for proposals.
- 6.6 The development of the Cambridgeshire Priorities Capital Fund will be driven by the Steering Group. The outline criteria for the Fund are set out in the Steering Group draft Terms of Reference (Appendix 1). These will need to be further developed by the Steering Group and agreed by the Committee.
- 6.7 Setting up, advertising, assessing, running and monitoring a grant programme can be administratively burdensome and there is no currently identified capacity for such an undertaking. Either further resource will be needed to run the new fund or decisions will need to be taken to cease or amend work in other areas.

7 Alignment with corporate priorities

- 7.1 **Environment and Sustainability**
A number of funded projects are specifically aimed at improving the local environment or enhancing green and open space
- 7.2 **Health and Care**

The Fund sought to improve the health, wellbeing, social and economic opportunities, and outcomes in our communities, thereby helping to create or enhance a good quality of life for everyone.

7.3 Places and Communities

The Fund invited and approved applications that evidenced community need and that were community led and delivered.

7.4 Children and Young People

Several funded projects are specifically aimed at developing infrastructure, facilities and opportunities for children and young people.

7.5 Transport

Some funded projects include road enhancements

8 Significant Implications

8.1 Resource Implications

The capital investment set out in this report was approved at Full Council in February 2020. No new resource is requested. There is no version of the Fund for 2022/23

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Any new round of funding allocations would need to comply with the requirements of the Council's Grants to Voluntary Organisations Policy.

There are no significant implications for this category. However, any commercial opportunities will follow the Council's Contract Procedure Rules and contractual regulations as per existing policies.

9.3 Statutory, Legal and Risk Implications

Successful funding awards have been made subject to the applicant accepting the council's grant agreement terms and conditions. There is some partnership risk should projects be terminated by the Committee. Conversely, there is a similar risk should projects continue that are no longer supported by their communities.

9.4 Equality and Diversity Implications

The Council's public sector equality duty and our commitment to reducing inequality will need to be considered should a new round of funding be undertaken. This may mean taking factors such as deprivation into account when assessing applications to any such fund.

9.5 Engagement and Communications Implications

Should a new round of funding be undertaken (Section 7) it will need to be widely advertised.

9.6 Localism and Local Member Involvement

Members were actively involved in both the development of expressions of interest and in making recommendations regarding projects in the original funding round. Members will be kept up to date with progress of projects in their division.

9.7 Public Health Implications

The Community Capital Fund provided an opportunity for communities to secure funding that, combined with their own assets, has enabled them to develop interventions that will improve the health and wellbeing of their community members. There has also been the opportunity for communities to, as part of the process, further strengthen their skills and assets.

9.8 Environment and Climate Change Implications on Priority Areas:

9.8.1 Implication 1: Energy efficient, low carbon buildings.

Positive/neutral/negative Status: Positive

Explanation: As buildings are being refurbished and modernised, energy efficient measures are being installed. Any new builds must comply with the latest energy efficient regulations.

9.8.2 Implication 2: Low carbon transport.

Positive/neutral/negative Status: Positive

Explanation: Providing new and/or improved community facilities will reduce the need for people to travel to access services and facilities at other towns.

9.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Positive/neutral/negative Status: Neutral

Explanation: Some individual projects will develop or enhance open spaces because of the capital project

9.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Positive/neutral/negative Status: Neutral

Explanation: n/a

9.8.5 Implication 5: Water use, availability and management:

Positive/neutral/negative Status: Neutral

Explanation: n/a

9.8.6 Implication 6: Air Pollution.

Positive/neutral/negative Status: Neutral

Explanation: n/a

9.8.7 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.

Positive/neutral/negative Status: Neutral

Explanation: Neutral in terms of this governance paper. Any impact of changes to individual projects or award to new projects will be assessed by the Steering Group and Communities, Social Mobility and Inclusion Committee.

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Martin Wade

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? Yes
Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal Services? Yes
Name of Legal Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your Service Contact? Yes
Name of Officer: Paul Fox

Have any engagement and communication implications been cleared by Communications?
Yes
Name of Officer: Amanda Rose

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes
Name of Officer: Paul Fox

Have any Public Health implications been cleared by Public Health? Yes
Name of Officer: Val Thomas

9 Appendices

- 9.1 Appendix 1 – Steering Group Draft Terms of Reference
- 9.2 Appendix 2 – Grants to External Organisations Policy

10 Source Documents

- 9.1 None.