

# **New Homes Bonus (NHB) Grant Policy** (revised March 2017)



## **Introduction**

This scheme seeks to support community initiatives that improve local facilities or help integrate communities, particularly in areas that have accommodated new housing.

Applicants apply online through the council's website, where the full procedures are available.

## **What type of project will the scheme fund?**

We're looking to fund projects that support community initiatives and facilities and will benefit the community for at least five or ten years (five years for grants up to £10,000, ten years for grants over £10,000). We are particularly keen to help projects that help to integrate new communities. They must take place in the district or within a three-mile radius if significant numbers of our residents will benefit.

We will fund both capital and one-off revenue expenditure from this scheme. This can include start-up costs, building improvements and equipment purchases. It excludes contributing to financial commitments like loans or mortgages and ongoing revenue costs like wages for existing staff.

We won't fund work/projects we have already funded within recent years (five years for grants up to £10,000, ten years for grants over £10,000).

We usually only accept applications for projects that haven't already started, however in exceptional circumstances (like a major funder pulling out or unforeseen additional works) then the head of community services can make an exception.

Organisations cannot apply to this scheme for projects we've awarded grants to before.

We will only consider applications for projects we have previously turned down if officers are satisfied the issues that prevented us funding them have been resolved (including if there was insufficient budget to fund their project).

## **Who can apply to the scheme?**

Any community-based organisation with a signed constitution, including non-profit businesses, community interest companies and parish and town councils can apply.

We will not consider projects for private individuals, businesses, residential buildings or any that usually fall to other public sector/statutory bodies to provide or will primarily benefit organisations under their remit. For example, we can't fund projects to improve roads/footpaths, schools, academies, forest/free schools or health services.

We're committed to promoting equality and diversity, and welcome applications from organisations who represent minority or vulnerable groups.

## **What are the minimum and maximum awards for the scheme?**

Organisations can request a minimum of £1,000 and up to 50 per cent of their total project cost. In exceptional cases, like a major funder pulling out of a project that offers significant benefit to our residents we will consider a request for more than 50 per cent.

To request an exceptional amount, applicants must get approval from the head of community services (via the grants team) before submitting an application. The online application system won't allow requests for over 50 per cent without officer approval.

We will not award more than the amount requested by the applicant.

The maximum an organisation can request is the relevant committee's budget for each round of applications, which we'll publish on the council's website before and after each round of awards.

If an applicant applies for the same project to this scheme and the capital grants scheme and it scored enough to receive funding, we will only fund it from one scheme or the other.

## **Opening and closing dates**

We'll usually open for applications twice each year (if there is sufficient budget available), except in a district council election year when we may only open for one round.

We'll usually advertise the provisional opening and closing dates each November and will confirm them after the annual budget-setting meeting.

We'll usually open each round of funding for a minimum of six weeks and make decisions within 12 weeks of the closing date.

Where possible we will avoid opening for applications over school holidays.

## **Scheme eligibility criteria**

All applicants must provide the following within their application form:

- a copy of the latest statements for any bank/building society accounts in the name of the organisation
- two quotes for the project or a professional estimate for any building work. For one-off revenue costs, like new staff costs or start-up running costs organisations must provide market comparison research to the costs are reasonable.
- two year's annual accounts (audited if appropriate). For new organisations we will require their working budget, income and expenditure to date and a forward financial plan for at least three years.
- their signed constitution or Memorandum and Articles of Association (except parish or town councils). Organisations that are governed by a central body, like churches, should provide a statement signed by an appropriate officer/trustee confirming this and provide a link to an online version of the central governance document.
- the anticipated start and end dates for the project that are within the remit of this policy
- all the necessary consents such as planning permission, listed building consent, landlord consents, licenses etc their last two years' accounts or, for new organisations, their working budget, income and expenditure to date and financial forecast
- a project plan including ongoing maintenance arrangements that is relative to the size of their project
- copies of their Land Registry title documents confirming ownership or tenure (lease). If they have a lease they must also provide a copy of this and have at least ten years remaining on the term. (This requirement does not apply to grants under £25,000 towards portable equipment that could move to another location easily)

The head of community services can decide to accept an application that does not meet the above criteria, but only if we have received clear and justifiable reasons and exception is appropriate from the applicant.

Projects awarded up to £10,000 must complete within 12 months from our award date. Projects awarded over £10,000 must start work within 18 months of our award date and complete within 36 months.

If there are any unexpected delays to the project, applicants can request one extension of up to 12 months, giving clear and justifiable reasons for the delay in writing. The head of community services will then decide whether to grant an extension or not. We must receive these requests at least one month before the end of the original grant term.

We'll usually send reminders for outstanding grants three months before they expire and will return any unclaimed awards to the council's general reserves after the expiry date.

## **Area committees**

The leader of the council has split the district into three geographical area committees for determining community grants. Each committee is made up of the councillors elected in the wards they cover. A map of the area committee boundaries is attached in appendix one.

The council will appoint a chairman for each area committee for the coming year at the annual budget-setting meeting. At the first committee meeting that follows, the committee will elect a vice-chairman.

## **Allocation of budgets to area committees**

The council will decide if it wants to allocate any budget for NHB grants at its annual budget-setting meeting. The minimum overall budget to run the NHB scheme in any year is £45,000, which we'll then split between the area committees.

The minimum budget each area committee must have to open for a round of funding is £5,000.

We'll split the total budget between the area committees based on their proportion of the district's increase in occupied homes, according to the council tax register (including exempt properties) for the 12 months up to September of the last financial year. This approach directs the budget to the areas that have seen the most recent growth.

## **Remaining budgets at year end**

We'll return any unused budget at the end of each financial year to the council's general reserves.

## **Decision-making**

### **Grants team**

The grants team will review the eligibility of every application before using the scoring matrix in appendix two to suggest scores and awards for the area committees to then review and amend as necessary. They will also flag any concerns with their scores.

## Area committees

Applications will be considered by the area committee the applicant chooses on their application form. If they choose more than one committee the request amount will usually be shared equally between the committees.

An area committee can decide to dispense with their planned meeting for any round of funding for this scheme and allow the head of community services to make the award decisions in consultation with the committee chairman if:

- They have received three or less applications
- The combined total of all requests is £10,000 or less and
- The total of the requests does not exceed their available budget.

The decision to dispense with a meeting must be made before the officer evaluations and scores are published.

Each area committee will review the officer scores and comments for the applications in their area and will amend scores as necessary, giving clear reasons for any changes. The final score agreed by the committee will determine the maximum amount the project can receive, as per the matrix in appendix two.

The committee can recommend not funding or limiting an award regardless of score if they:

- have serious concerns around the management of the project now and in the future.
- are satisfied the applicant has sufficient unrestricted reserves (or other funding sourced) to fund the project themselves
- have serious concern as to the financial viability or appropriateness of the proposed project;
- are unsure if the project complies with the criteria or helps deliver the council's strategic objectives

The committee can recommend that the relevant cabinet member makes awards for more than a score allows. The cabinet member's decision on whether to approve this request is final. If not approved their award would revert to the maximum usually permitted for their score in the scoring matrix.

Once a committee has voted and agreed final scores and award amounts\* they cannot be amended.

\*Award amounts will be a percentage of the total cost, capped to a maximum value.

Any decisions to award an organisation over £25,000 during any given in any given round of funding are considered key decisions and will be subject to the council's call-in procedure. This includes the cumulative total of awards from all three committees to a single organisation.

## **Head of Community Services**

The head of community services using delegated powers, will decide:

- if we'll accept requests for over 50 per cent of the total project cost
- if we'll accept applications that don't meet all the eligibility criteria
- whether to give extensions to the term of any grant
- to agree to the amendment or removal of any grant conditions
- whether to amend award percentages or maximum values beyond what was originally agreed, as requested by applicants. Increases will stay within the maximum limits of the scheme.

## **Relevant cabinet member**

The relevant cabinet member will decide:

- any requests from the committee to award more than the application's score dictates
- any amendments to the policy and scoring criteria, to make sure it continues to meet the needs of the community (via ICMD).

We'll publicise all the grants we award through our council newsletters, website and the media.

## **Procedure at area committee meetings**

The area committees will conduct their meetings in accordance with the Rules of Procedure set out in Parts 4 and 5 of the council's Constitution.

## **Declaration of interests**

Councillors and officers will declare any interests in accordance with the Rules of Procedure set out in Parts 4 and 5 of the council's Constitution.

Any officer of the council with a pecuniary interest in any application will take no part in the process and register their interest as required by the employee's code of conduct policy.

## **Standard conditions for all NHB grant awards**

We'll include the following standard conditions on all NHB grants:

- Organisations awarded less than £10,000 must formally accept the grant offer and agree to meet any conditions by completing and returning a grant acceptance form.
- Organisations awarded £10,000 or more must enter into a legal grant agreement with the council. If awarded more than £25,000 they must also register a charge or restriction on their Land Registry title. (the council will dictate whether a charge or restriction is required)
- Organisations must provide evidence that they've spent the grant on the project it was awarded for with their mid-way (if relevant) and final claims
- Projects awarded less than £10,000 must complete within 12 months of the award date, projects receiving more than £10,000 must start work within 18 months and complete within 36 months of the award date, unless we give an extension to the term.
- Organisations must consult the grants team before making any significant changes to the project, to ensure they will not affect our grant offer. For the avoidance of doubt the grant is non-transferrable. If the decision is made not to go ahead with the project funded the grant cannot be used for a different project.
- The organisation must acknowledge the council's support in any publicity on the project receiving a grant.

We'll include the following standard condition on all grants over £25,000:

- Organisations must register a restriction or charge on the registered title in the council's favour with the Land Registry, before work starts on the project, unless otherwise agreed in writing by the council.

We may add extra conditions to any grant if we consider it necessary.

The head of community services has delegated authority to remove any agreed grant conditions following a written request from the applicant, if they feel it is justified.

Failure to meet all the agreed conditions may delay payment or, in extreme cases result in us withdrawing our grant offer.

## **Payment of grants**

- We will only pay towards costs incurred after our decision date unless expressly agreed as an exception at the time of award.
- In exceptional cases like property purchases, we may make a single upfront payment, which officers will recommend as part of their evaluation.

- We will pay grants of up to £10,000 in two stages, 50 per cent of the maximum amount on receipt of the signed acceptance form and confirmation all other funding is secure.

The balance will be released following receipt and satisfactory review of their final claim form. This will include copies of all invoices/receipts for the expenditure and potentially other ad hoc documents are required in their grant conditions.

- Grants of £10,000 or more will be paid in three stages, 33 per cent upon completion of the grant agreement, restriction/charge (if required) and confirmation all other funding is in place.

A mid-way payment of a further 33 per cent will be released following submission and satisfactory review of an online claim form.

The final balance will be released at the end of the project, after receipt and satisfactory review of a final claim form and site visit.

- If the final cost is less than that given in their application we'll reduce our final payment accordingly so the total paid is no more than the awarded percentage. and, if necessary, request back some of the first payment (the minimum amount for us to request repayment is £500).



## Scoring and award matrices

SCORE	PRIORITY LEVEL	AWARDS all awards are subject to the available budget. High priorities are awarded before considering the medium priority projects.
9-12 points	High priority	Award full amount requested - budget permitting
5-8 points	Medium priority	Award between 50 and 75 per cent of the amount requested, depending on their score - budget permitting
0-4 points	Low priority	No funding

## New homes score

Points	Percentage of area's total new homes in the parish the project takes place in
0	Less than 1 % of growth
1	1-10 % of growth
2	11-50 % of growth
3	51 or more % of growth

## Extra facilities/activities

Points	Criteria to score	Examples
<b>0</b>	The project doesn't allow any activities to take place or provide a facility for the community's use.	A decorative village sign doesn't allow any community activities to take place or give the community a facility to use.
<b>1</b>	The project replaces existing facilities or allows existing activities to continue. or The project moderately improves a minor community facility or activity.	It replaces furniture in the village hall with like-for-like replacements.  Replacing existing park benches with longer-lasting ones.
<b>2</b>	The project moderately improves or extends a substantial community facility or activity. or The project significantly improves or extends a minor community facility or activity. or The project provides a new minor facility or activity for the community.	Replacing the chairs in the village hall with more comfortable ones or improve a play area to cater for more ages.  Buying replacement boats for a small canoeing club.  Installing three new noticeboards in the village.
<b>3</b>	The project will provide substantial new facilities or activities to the community. or The project significantly improves a substantial community facility.	Creating a brand-new play area where there wasn't one already.  Adding a large extension to a village hall.
<b>Deductions</b>	Deduct one point if the project reduces the activities/facilities on offer.  Deduct two points if the project removes a community facility or stops activities taking place without replacing them.	Like a project to overhaul and landscape a car park that reduces the number of parking spaces.  Demolishing an old skatepark without replacing it with anything.

## Community Benefit

Points	Criteria to score	Example
0	The project offers little or no direct benefit to the community.	A decorative sign or boundary wall with no other purpose
1	A single sport or special interest group, like an art group, will benefit.  However, if a sport club wanted to upgrade their pavilion and other groups frequently use it as well, it can score more.	A project to buy cricket pitch covers, IT equipment for a photography club or landscaping a nursery's garden is only benefiting their members/users.
2	Two or more specific groups will benefit.  The project will have a significant impact on the health or wellbeing of one group	A football club is upgrading its changing room, which a hockey club also use  Specialist equipment for a centre working with severely disabled people.
3	The project will provide a facility that's open/available to anyone to access, (not just members)  Limit the maximum score for projects on sites owned by religious organisations to two points, as they can limit who can access them under special rules in the Equalities Act.	Play areas, community building or recreation ground.  (e.g. a church hall or Islamic centre)
<b>Deductions</b>	Deduct at least one point if the project will reduce (two points if it totally removes) an existing benefit to the community without replacing it.  Remove one point if there are concerns over the ownership/lease of the property.	Replacing a recreation ground with tennis courts for a member's club (open community benefit is reduced as only tennis members will benefit going forward).  Like the term of their lease is too short or their ownership evidence is unreliable.

## Finance

Points	Financial overview
0	They don't have a plan of how they'll fund the rest of the project and haven't secured any other funding yet. They haven't given details of how they'll fund the ongoing maintenance and eventual replacements.
1	They've got a funding plan, but haven't applied for all of it yet. or They've applied for all the other funding needed, but have secured less than 50 per cent so far. They've budgeted for the ongoing maintenance but don't say how they'll fund eventual replacements in the future (if applicable).
2	They've applied for all the funding needed and have already secured over 50 per cent of the balance. They've budgeted for the ongoing costs and have a general idea how they'll fund replacements eventually (if applicable)
3	They've secured all the other funding needed for the project already (including if they're funding the rest themselves). or The organisation has requested 100 per cent of the cost and have provided evidence that they've lost a funder, can't raise money themselves (e.g. via precept) and can't apply for other grants/funding. They've budgeted for the ongoing costs and have a fund/account/pot saving for the replacements in due course.
<b>Deductions</b>	Remove one point if the organisation's finances suggest they could contribute towards the cost but aren't, remove two points if they can afford the whole project without any funding.

### Other potential deductions/considerations:

- Their chosen supplier doesn't appear to offer value for money (their other quote was significantly cheaper for the same work).
- They have only provided one quote stating there is no alternative, but officers have found otherwise.
- Their start dates are too soon to work with our decision-making timeline for the scheme, unless we gave them permission to make an exceptional application before submitting their application.
- They are doing lots of small, similar projects instead of doing all the work in one go, which would be more cost effective.

- The community don't support the project or would prefer a different solution.