

EXETER CITY COUNCIL
MAJOR GRANTS & NEW HOMES BONUS PANEL
21 FEBRUARY 2013

EXECUTIVE
19 MARCH 2013

**NEW HOMES BONUS LOCAL INFRASTRUCTURE FUND –
REVIEW OF CRITERIA**

1. PURPOSE OF REPORT

- 1.1. This report begins the review of eligibility and evaluation criteria for the New Homes Bonus Local Infrastructure Fund.

2. REVIEW OF CRITERIA

- 2.1. Members have previously asked for a review of the eligibility and evaluation criteria to be carried out after one year (the first grants were awarded at a Panel meeting in June 2012). If Members are able to decide now what changes they would like to see, those can be ratified by Executive on 19 March 2013, and applicants can be advised in advance of the 30 April deadline for the next bidding round.
- 2.2. If however more detail needs to be worked up by officers, a further report will need to be presented to the Panel on 13 June, with the changes effective for the bidding round that closes on 31 July. This would however enable officers to forewarn prospective applicants of likely changes to the scheme, in advance of those changes taking effect.

2.3. Financial limit on bids

The limit on applications could be reduced from one fifth of the fund (currently £50k) to a lower limit, say £30,000. This would potentially spread the money more widely, but might rule out some of the larger projects. It might therefore result in a decrease in the number of applications. Members need to consider whether this would conflict with the underlying purpose of the scheme, or whether it would actually encourage more of the sort of applications that were originally intended.

2.4. Subsequent years and repeat applications

- 2.4.1. The scheme rules allow bids for the current and subsequent years. However, the website information points out that to date, no applications have been granted to cover more than one year, and applications for successive years are only likely to be entertained in exceptional circumstances.
- 2.4.2. As a result, repeat applications are now expected from organisations that have already received a grant from the fund. More recent applicants have been advised that this may not be allowed in future.
- 2.4.3. Members are asked to consider whether to introduce a formal rule that applications can cover only one financial year. They should also consider whether successful applicants should be allowed to bid again.

2.4.4. Unsuccessful applications are allowed to try again the following year. It is felt that this should be retained, so as to allow a second chance to applications of merit which are turned down solely for lack of funds.

2.5. **Revenue bids**

Bids for revenue funding are allowed under the scheme, but the information on the website makes it clear that this is intended to provide pump-priming funds rather than open-ended support. The distinction between capital and revenue is often blurred in practice, so it is felt that the possibility of revenue funding should be retained on these terms.

2.6. **Council strategy**

Applications to date have been geographically random, and Members are asked to consider whether the evaluation criteria should favour parts of the city where new development is concentrated, as this is what the New Homes Bonus is intended to address. Members are also asked to consider whether the evaluation criteria should include reference to consistency with a Council strategy, and if so what. It may be desirable, for example, to identify gaps in the provision of community facilities, and favour applications which seek to plug those gaps, rather than make additional provision in well-served areas. There may also be a case for relating bids to planning policies, including those in neighbourhood plans. In practice the range of Council strategies is so diverse that it might be necessary to write a brief policy statement purely for the purposes of this funding stream. If the other changes are introduced for the April bidding round, this element will need to be postponed until the July round to enable the policy statement to be written and approved by Members.

2.7. **Sharing premises**

Members may wish to give added weight to projects that are the result of collaboration between community groups. For example, officers have been approached by 2nd Exeter Scouts, who are considering options for their substandard hut in Heavitree, including refurbishment, rebuilding, or the possibility of working with other groups on a new combined facility. The Council have put them in touch with Parklife and the local Lawn Tennis Association who are already in discussion with our Parks service about a joint facility in Heavitree Recreation Ground. This seems to be the sort of collaboration that the Council ought to be encouraging, rather than individual groups developing facilities in isolation, sometimes competing in the same market for room hire. If Members agree, support for this principle could be included in the policy statement.

2.8. **Council services**

The rules state that the fund is intended for new initiatives, not to replace other withdrawn public sector funding. The website information points out that Members have indicated that they do not consider this an appropriate source of funding for something which would normally be provided by the City or County Council as part of its normal service delivery. (The current applications for Bury Meadow and Devonshire Place were worked up before Members had expressed this view.) This would effectively rule out grants for environmental enhancements. Members need to be aware of this when considering whether to make this a formal rule of the scheme, and perhaps make exception where the project is specifically in accordance with the proposed policy statement.

2.9 Officers have resisted applications where a more suitable Council funding stream exists (such as grants for the arts), even if the fund is oversubscribed. Members are asked to consider whether this should be embodied in a formal rule of the scheme.

3. RECOMMENDATION

- 3.1. That Members consider options for reviewing the eligibility and evaluation criteria, in particular:-
- a) Should the upper limit for applications be reduced, say, to £30,000?
 - b) Should applications be limited to one financial year?
 - c) Should repeat applications by successful applicants be disallowed?
 - d) Should revenue bids continue to be entertained, on the strict understanding that they are for pump-priming only?
 - e) Should grants favour areas of the city where new development is concentrated?
 - f) Should officers prepare a policy statement based on existing Council strategies, to assist in the determination of applications?
 - g) Should applications be favoured where they are the result of collaboration between organisations?
 - h) Should the scheme rules exclude projects which would normally be provided by the City or County Council as part of normal service delivery, unless specifically supported by the policy statement?
 - i) Should the scheme rules exclude projects for which a more appropriate City Council funding stream exists?
- 3.2 That Executive be recommended to introduce the revised criteria for the bidding round that closes on 30 April 2013, with the exception of e) which will require preparation and approval of a policy statement.

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