

REPORT TO EXECUTIVE

Date of Meeting: 5 November 2024

REPORT TO COUNCIL

Date of Meeting: 17 December 2024

Report of: Strategic Director People and Communities

Title: Community Grants Programme 2025/26

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 This report sets out proposals for the Community Grants Programme for 25/26 and funding of Wellbeing Exeter beyond March 2025 using the Neighbourhood portion of the Community Infrastructure Levy (NHCIL).

2. Recommendations:

That Executive recommend to Council to:

2.1 Note the update on the progress of the transition of Wellbeing Exeter and the Community Programme as requested by the Executive in September 2023.

2.2 Note the match funding for Wellbeing Exeter agreed with Sport England.

2.3 Allocate £340,000 and £371,000 from the NHCIL reserve to contribute to the funding of Wellbeing Exeter for financial years 2025/26 and 2026/27.

2.4 Allocate £72,000 of the ring-fenced Wellbeing Exeter reserve to contribute to funding Wellbeing Exeter for financial year 2026/27.

2.5 Delegate authority to the Portfolio Holder and the Strategic Director to adjust the funding downwards should anticipated receipts in the NHCIL reserve fail to materialise.

2.6 Delegate authority to the Portfolio Holder and the Strategic Director to consult with residents on the continued use of the Neighbourhood Portion of the CIL for funding Wellbeing Exeter and the Community Grants Programme beyond 2026/27.

3. Reasons for the recommendation:

3.1 Funding for the new model for Wellbeing Exeter and a revised Community Grants Programme was approved in January 2024. This report provides the update requested by the Executive on the progress of the transition of Wellbeing Exeter and the Community Grants Programme and brings forward recommendations for priorities and spending in 2025/26 and 2027/28.

4. What are the resource implications including non financial resources

4.1 To match commitments for continuation funding made by Sport England, £340,000 (at 2024/5 prices) would be required from the NHCIL reserve in 2025/26 and £371,000 (at 2024/5 prices) in 26/27 alongside £72,000 from the Wellbeing Exeter reserve (funding built up from underspends in previous years) to secure the next 2 years of funding for Wellbeing Exeter.

4.2 Sport England will continue to fund officer time to support the development of Wellbeing Exeter and manage the contract with the Lead Delivery Organisation along with project funding to continue its independent evaluation. There is also additional funding from Sport England to support enhanced services targeted at specific interest groups or communities through Wellbeing Exeter over the next 3 years.

4.3 Officer resources will continue to be needed to manage and monitor the Community Grants programme. These costs will be met through existing resources and a contribution to staff salaries for the administration of the Community Grants Programme from the NHCIL reserve.

4.4 Officer resources will continue to be needed to facilitate the Exeter Lottery, and these costs will be met through existing resources and income from the Lottery.

4.5 There will be a need to focus effort into securing longer term sustainable funding partners for Wellbeing Exeter from 2028 onwards given the tapering of the Sport England funding. Accommodation for this activity has been made within the contract for the Wellbeing Exeter Lead Delivery Partner.

5. Section 151 Officer comments:

5.1 The content of the report is noted. If approved, the funds will be added to the budget to be presented to Council in February along with the NHCIL income. This will not therefore have an impact on the Council Taxpayer. Finance will continue to work with Planning and Communities officers to monitor progress in receiving the funds to ensure any issues are highlighted early.

6. What are the legal aspects?

6.1 The recommendations on the future of the Community Grants Programme are in line with the Community Grants policy agreed in 2019. The recommendation to undertake formal consultation on the continued use of the NHCIL in 2024/25 is good practice.

6.2 The Community Infrastructure Levy (CIL) is a planning charge that local authorities can require of most types of new development (based on £s per square metre) in order to pay for the infrastructure needed to support development. Regulation 59A of the CIL Regulations envisages that a local authority should engage with communities where development has taken place (in this case the city of Exeter) and agree on spending priorities with regard to the neighbourhood portion of CIL. The amount of neighbourhood CIL equates to at least 15% of levy receipts for chargeable development in an area where there is no neighbourhood plan and 25% for chargeable development in an area where there is a neighbourhood plan.

6.3 The Exeter Community Grants Programme was agreed in July 2019. Where it includes the Neighbourhood portion of CIL, it must be spent in accordance with the statutory provisions set out in the CIL Regulations 2010 and the Planning Practice Guidance (PPG). The Neighbourhood portion of CIL must be spent in accordance with the statutory criteria set out in Regulation 59F and Paragraph 73 of the PPG.

6.4 Regulation 59F of the CIL Regulations states: "...the charging authority (i.e., Exeter City Council) may use the CIL...to support the development of the relevant area by funding-

- a) the provision, improvement, replacement, operation, or maintenance of infrastructure; or
- b) anything else that is concerned with addressing the demands that development places on an area."

6.5 Paragraph 73 of the PPG states: "...the charging authority will retain the levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding."

7. Monitoring Officer's comments:

7.1 The Monitoring Officer has nothing further to add to the legal comments set out in paragraph 6 above.

8. Report details:

8.1 In 2024 Council approved several recommendations on the future of the Community Grants Programme identified through an internal review. A summary of the recommendations and a progress report on the actions taken to implement them is set out in the table below.

1. A strategic needs assessment of community buildings should take place before any further investment is made in building projects.	£20,000 has been made available in the budget and the project is scheduled to take place in Q4 when new staff, following the senior leadership restructure are in place.
2. More stringent targeting should take place alongside proactive promotion of small community grants which could be more effective if linked into the work of Wellbeing Exeter's locality-based Community Builders.	New contract for Wellbeing Exeter awarded in July 2024. Community Builders continue to promote the Council City and Ward grants.
3. Allocating grants to addressing specific issues faced predominately in priority neighbourhoods such as digital exclusion, where there is strong evidence based on effective approaches that deliver measurable impacts.	£20,000 has been made available in the budget for Digital Inclusion Grants and the project is scheduled to take place in Q4 when staff, following the senior leadership restructure are in place.
4. Placing a cap on the amount of grant funding that can be awarded to any one organisation over a 3-year period and on the number of applications that can be made in any financial year.	Done

5. Continue grant award decisions to be made by members on the cross-party Grants Panel but to consider more proactive monitoring of the deployment of ward grants and reducing the annual allocation to better reflect average annual spend over the last 4 years: £3,000 per ward.	Ward grant allocation set at £39,000 for 24/25. Community groups can apply for wards grants to a maximum of £350, with up to £3000 available per ward. At September 3024 £18,292 ward grants have been awarded with a balance of £20,708 remaining to March 2025. PowerBi monitoring dashboards are in place. Portfolio holder given monthly updates on progress.
6. That more robust due diligence, including ensuring the receipt of impact evaluation be undertaken prior to the award any grant more than £5,000.	No grants more than £5,000 have been awarded.
7. A re-focus of grant giving on evidence-based approaches to make best use of the available funds.	A project to implement this recommendation, including further guidance to members on the grant panel is scheduled to take place in Q4 when new staff, following the senior leadership restructure are in place
8. Adopting a more explicit and positive approach to match funding.	A project to implement this recommendation, is scheduled to take place in Q4 when new staff, following the senior leadership restructure are in place
9. Switching from an open annual rolling grant programmes to a more structured approach opening the grant fund for limited periods 2 or 3 times a year.	The new City Grants Fund launched in July 2024 to support groups and organisations in the city deliver projects that meet Council priorities. The City Grants Fund is open in 3 phases, the first phase was assessed in September with a total of £15,750 awarded to 8 organisations.
10. When the Information, Advice and Advocacy Contract comes to an end in March 2024 it is not re-tendered.	Members decided to provide a one-off grant of £75,000 to Exeter CAB as a one-off transition grant for 2024/25.
11. As the long-term future of Wellbeing Exeter is also under consideration it makes sense for the Council to consider embedding key aspects of the Exeter Connect contract into Wellbeing Exeter's future role.	This activity is included in the specification for the Lead Delivery Organisation for Wellbeing Exeter awarded to CoLab Exeter in July 2024.

8.2 There were also several recommendations specifically for Wellbeing Exeter. A summary of the recommendations and a progress report on the actions taken to implement them is set out in the table below.

1. Continuing as Lead Commissioner for Wellbeing Exeter to ensure its strategic development continues to focus on achieving the Exeter 2040 Vision.	In place, with a new contact for Lead Delivery Organisation awarded in July 2024 with new partnership governance arrangements to be introduced in Q4.
2. Become a Core Funder under the new model providing resources to fund the Core Model within the targeted 20 priority neighbourhoods which will include:	£275,563 was allocated from the NHCIL as the Council's contribution to the Core Model.

Community Building; Community Connecting; Resettlement Connector; Community Physical Activity Organisers and Network Support	
3. Fund an Enhanced Model to develop Community Building within the St James and Pinhoe Wards which are the areas in the city dealing with significant development.	£125,940 was allocated from the NHCIL to fund an enhanced model for St James and Pinhoe Wards. Community Builders are now in place.
4. Use its Core and Enhanced Funder status to secure match funding from other strategic partners/investors.	£252,000 funding for Wellbeing Exeter Core Model 2024/25 was secured from Sport England. A further £669,500 has been secured for the Core Model of Wellbeing Exeter from Sport England for the 3-year period 25/26 to 27/28 with around a further £245,000 available for targeted Enhanced Models over the same period.
5. Utilise Wellbeing Exeter reserves to provide funding to support the transition from the old to the new model and to assist in the securing of new leadership and governance arrangements.	£150,000 of the Wellbeing Exeter reserve was utilised to support transition from the old to the new model.

8.3 Wellbeing Exeter is a consortium of delivery partners employing staff working in communities, without medium term funding commitments the programme is at risk due to staff recruitment and retention. Grant funding for Wellbeing Exeter has now been agreed with Sport England, through the renewed Place Partnership, up until 2028. The Council now needs to identify its own contribution to be able to draw down this funding and stabilise Wellbeing Exeter. The following proposal offers a way to provide certainty to enable the delivery partners to stabilise the programme and focus on delivering the intended outcomes.

8.4 Neighbourhood (NH) CIL, unlike other funding sources can only be spent once the money has been received. However, in the past, when CIL receipts were predictable and reserves provided a buffer, the Wellbeing Exeter contract was let on a 3-year rolling basis. In 2022, with a combination of, extensions to contracts for services funded at the time from NHCIL; one off grants; slowing down of CIL receipts during COVID and late payments, the NHCIL budget came under pressure and remedial action was taken to limit commitments to this funding.

8.5 Exeter City Council committed £275,563 of NHCIL funding to deliver the new Wellbeing Exeter core model in 2024/25. Funding of £252,000 has been secured from Sport England in 2024/25 to continue as a core partner. Following a successful tender process, CoLab were appointed as the Wellbeing Exeter contract holder and their overview of the programme began on 1st July 2024.

8.6 The initial contract award has been for 1 year with potential to extend for 5. This was agreed in good faith with an expectation that the Council would, as soon as confirmation of future funding from Sport England was secured, confirm its own funding contribution (on which the partner funding is predicated) and extend the contract for a further 2 years i.e. a 3-year term. This is important as a 1-year contract with uncertainty about the future

makes recruitment and retention of staff across the provider alliance problematic which in turn limits the delivery of the partnership and its future development potential. Delivery partners are at the stage now, that without the extension of the contract as anticipated they will soon be in the process of placing staff at risk of redundancy.

8.7 Officers in finance and City Development have confirmed that by end of this financial year they are confidently anticipating that the NHCIL will have an income of £901,487. The table in Figure 1 below sets out the anticipated NHCIL reserve for the Community Grants programme for 25/26. The proposed spending plan is based on continuing with Ward and City Grants, the Exeter Lottery and Wellbeing Exeter. It assumes the uncommitted funds (Digital Grant Fund; Evaluation and Community Building review) will be delivered in Q4 24/25.

8.8 There is also an additional unspent partner funding of £72,000 in a Wellbeing Exeter reserve that can be drawn on to support development or core funding.

8.9 The conservative estimate of the predicted NHCIL reserve for 2025/26 is £807,982 (including estimated income from Exeter Lottery of £21,000) with current spending commitments of £445,515 of which £340,305 is allocated for Wellbeing Exeter. The budget anticipates continuation of the Ward Grants and a City Grant Fund of £50,000 for 25/26. Assuming all CIL receipts come in as planned, this would allow for a carry forward budget of £362,461 for 2026/27 as shown in the table below.

	2024/25	2025/26	TOTAL
	£	£	£
Neighbourhood CIL Available			
Neighbourhood CIL brought forward	429,505	336,014	429,505
Actual Neighbourhood CIL Income	212,184		212,184
Forecast Neighbourhood CIL Income	259,798	471,982	731,780
Total Neighbourhood CIL Available	901,487	807,996	1,373,469
Commitments:			
Ward Grants	39,000	39,000	78,000
Community Buildings Review	20,000		20,000
Digital Grant Fund	20,000		20,000
City Grant Fund	50,000	50,000	50,000
Independent Evaluation of Programme	20,000		20,000
Exeter Community Lottery	5,000	5,000	10,000
Exeter Lottery Income	-21,000	-21,000	-42,000
Wellbeing Exeter	275,563	340,305	615,868
Wellbeing Exeter - Additional Allocation	125,940		125,940
Staff Costs	30,970	32,210	63,180
Total Commitments	565,473	445,515	960,988
Total Available Neighbourhood CIL Receipts	336,014	362,481	412,481

8.10 As Sport England funding begins to be tapped over the next 3 years, we are currently estimating a Council contribution for Wellbeing Exeter in 26/27 of £300,000 as shown in the table below.

Wellbeing Exeter Funding Strategy	yr 1 2025/26	yr2 2026/27	yr3 2027/28
* Wellbeing Exeter Core Funding Requirement	649,000	649,000	649,000
Sport England Core Funding	309,000	206,000	154,500
Wellbeing Exeter Reserve	0	72,000	0
ECC NH CIL	340,000	300,000	300,000
External Funding (to be secured)	0	71,000	195,000
Total	649,000	649,000	649,500
* 2024/25 Prices			

8.11 Based on the anticipated income, spend and partner funding the proposal going forward is to revert to building up a reserve to allow for multiple year commitments for Wellbeing Exeter to stabilise the programme and secure ensure partner funding. This will enable the Wellbeing Exeter contract to operate on a rolling 2-year contract.

8.12 To mitigate risk of over committing against the actual available funds income and expenditure will be kept under review in year and if necessary reduced contract value for Wellbeing Exeter for 26/27 and 27/28 to be negotiated should predicted CIL income does not materialise.

8.13 Formal public consultation on the use of the NHCIL was last conducted in 2019 and whilst internal reviews have been published, including in 2023. It is good practise to undertake formal public consultation to ensure the Council can consider views from resident and stakeholders in its priority setting and decision making. Therefore, consultation should be undertaken during 25/26 with a view to making recommendations for use of NHCIL beyond 27/28.

8.14 In the first 12 months of the Exeter Community Lottery:121 local good causes signed up. The top performing local causes are Sylvania Community Stores, Exeter Strollers Walking Football Club, SW Therapy Centre, Heavitree Bowls Club, Devon Family History Society all receiving more than £1000. In total £48,378 was raised for local good causes and the central fund.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 Wellbeing Exeter and the Exeter Community Grants Programme contributes to the Exeter 2040 Vision aspirations of being a Healthy and Inclusive City and the most active City in the UK. The programmes also contribute to the Council's strategic priorities of a "Healthy and Active City" and "Housing and Building Great Neighbourhoods."

10. What risks are there and how can they be reduced?

10.1 The community grants programme and Wellbeing Exeter are both discretionary areas of spending for the Council. Both programmes are funded from the NH CIL reserve. There is a risk to the programme should anticipated receipts be late or remain unpaid. This means that budget planning must take place on an annual basis with regular reviews as the Council must have received the payments from developers before it can spend any of it. These proposals mitigate this risk as follows:

- The grants programme will be a periodic programme opening when funds allow and offering several application opportunities throughout the year.

- The overall programme leaves plans to leave income in the reserve to create a buffer against late payments and to make funding available in future years.
- The Wellbeing Exeter contract to be rolled forward for 2 years but contract levels kept under review so they can be aligned with any reductions in planned income. No other recurring commitments to be made from NHCIL.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation, and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies, and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage, and civil partnership status in coming to a decision.

11.4 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12. Carbon Footprint (Environmental) Implications:

12.1 There are no known direct negative carbon/environmental impacts arising from the recommendations. Within Wellbeing Exeter, Community Physical Activity Organisers support individuals and communities to be more physically active in everyday life: there are indications to show that this work is having a positive impact. However, it is too early to say to what extent this behaviour change is resulting in reduced carbon through walking and cycling replacing car usage.

13. Are there any other options?

13.1 No other options are being proposed in this report.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

Equalities Impact Assessment - Simon Clayton, Interim Head of Service Customer and Communities

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