

KENNET DISTRICT COUNCIL

Meeting to be held on Tuesday, 22nd July 2008

CAPITAL GRANTS FOR COMMUNITY PROJECTS

Report by the Interim Assistant to the Chief Executive

1. Introduction

At its meeting on 4th September 2007 the Council resolved to set aside funds to grant aid community capital projects, and to invite applications for such grant aid by 31st December 2007 in the first instance.

The result of that exercise was reported to the Community Development Executive Committee at its meeting on 4th March 2008. The full budget has been allocated.

A small number of successful applicants have found that with the passage of time, their original estimates of scheme costs have proved to be slightly optimistic when now at the receipt of tenders stage in their projects. Given the lateness in the financial year, there is little prospect of the applicants finding additional resources other than from Kennet. This in turn means that a number of worthwhile projects will simply fail to be completed and the original budget of £2.3m will be under-spent.

Therefore, the purpose of this report is to seek additional capital funding to top up the amounts of grant already awarded if absolutely necessary to ensure that approved projects are completed.

2. Financial Implications

If the recommendations made in this report are approved, then a capital virement of £250,000 would be required. The virement proposed would be from the capital budget to purchase the Health Centre site in Devizes, that purchase no longer going ahead.

3. Staffing Implications

None.

4. Legal and Risk Management Implications

None other than the risk that several worthwhile community projects would be lost in the District without some additional financial support.

5. Rules for Agreeing Top-up Capital Grant Funding

If the whole principle of providing some top-up funding is accepted then clearly some guidance is necessary in judging whether a top-up grant should be paid.

Clearly, the very fact that schemes qualified for a grant in the first place means that they are worthy of support, so the principle of supporting the particular applications is not at issue. The issues to be decided are therefore more of a technical matter, and the guidance that is suggested in deciding top-up funding is suggested to be:

1. The scheme itself has not altered since the grant was approved, only the cost.
2. The only exception to (1) above is where an outside Government agency has imposed additional obligations on the scheme that have changed the detail of the scheme, but not its essence.
3. There are no other sources of funding available, particularly the reserves of the organisation concerned.
4. The original estimates of costs were reasonably based at the time the original application was made, (usually based upon professional advice or actual preliminary quotations).
5. The funding problem has arisen from factors outside the applicants control.

6. Conclusions and Recommendations

There is no doubt that the original decision to make community capital grants will lead to significant community benefits across the District. However, there is a danger that a number of those projects will not be possible without some additional funding from Kennet.

It is therefore **RECOMMENDED THAT:**

- (1) a capital estimate of £250,000 be approved for the purpose of providing additional funding for previously approved community grant applications where absolutely necessary;**
- (2) the sum of £250,000 for this purpose be vired from the capital budget for the purchase of the Health Clinic in Devizes; and**
- (3) the decision on awarding top-up funding be delegated to the Head of Finance using the guidelines set out at section 5 of the report above.**

Frank Marshall