



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**



Rural and Communities Overview and Scrutiny Committee

11 October 2023

Report of Councillor Rhea Rayside,
Cabinet Member for People and
Communities

SK Community Fund – October 2023 Update

Report Author

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Purpose of Report

The purpose of this report is to provide an update on the SK Community Fund which supports the development of community amenities, community events and provides funding to groups that provide support to local communities. The report outlines the requirements applicants must follow to be, and remain, eligible for funding through the scheme.

Recommendation

In considering the report, it is recommended Rural and Communities Overview and Scrutiny Committee:

- 1. Notes the contents of this report and is invited to request a further updates on an annual basis.**

Decision Information

Does the report contain any exempt or confidential information not for publication?

No

What are the relevant corporate priorities?

- Healthy and strong communities
- Clean and sustainable environment

Which wards are impacted?

All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The financial considerations are referenced throughout the report. As this is a discretionary budget set each year by Council, there is an opportunity for the Committee to express its view on the level of the budget for 2024/25.

Completed by: Richard Wyles, Chief Finance Officer

Legal and Governance

- 1.2 There are no significant legal and governance implications arising from this report.

Completed by: Graham Watts, Assistant Director of Governance and Monitoring Officer

2. Background to the Report

- 2.1 South Kesteven District Council's Corporate Plan (2020-2023) has creating healthy and strong communities as a priority. The aim being to enable residents, working with partners, to develop strong networks of support and maintain strong communities. This sees a focus on the most vulnerable in South Kesteven communities to improve wellbeing and reduce inequality through collaboration between public service, community leaders, residents and voluntary groups.

- 2.2 The SK Community Fund was established in 2015 to offer financial assistance to voluntary and community groups for projects and events that benefit the residents of South Kesteven.
- 2.3 This scheme operates under three specific strands:
- **Small Grants Fund:** Awards of up to £2,000 for eligible groups and projects, where 100% of the required funding can be applied for. Fees for sessional workers (freelance workers, not on the usual staffing cohort of the applying group/agency) could be considered for small community event applications. This Fund is exclusively open to groups with less than £10,000 of financial resource.
 - **Community Projects:** Capital funding only. Up to 80% of required funding is available to a maximum of £5,000 for eligible groups and projects. 20% match funding required from the applicant
 - **Community Events:** Generally capital funding, however fees for sessional workers (freelance workers, not on the usual staff of the applying group/agency) could be considered for community events. Funding is available for up to 80% of event costs to a maximum of £5,000 for eligible groups and projects. 20% match funding is required from the applicant.
- 2.4 Grants are available for constituted groups and organisations involved in community projects and events that benefit the residents and communities in the District. Groups and organisations must demonstrate how their project or event will deliver wider benefit, contributing to the sustainability, vitality and wellbeing of South Kesteven's communities and the Fund's priorities.
- 2.5 Applicants are required to provide a copy of the group's governing documents, proof of a dedicated bank account with two unrelated signatories; relevant policies (e.g. safeguarding, equality and diversity); evidence of need; annual accounts when relevant and the written endorsement of the Ward Councillor in whose ward the project or event will take place.
- 2.6 At a previous meeting of this Committee, elected Members requested information relating to the additional evidence required when an application is made by a Parish and Town Council. The standard requirements to provide evidence of a governing document, bank account etc are applicable to Parish and Town Councils. In addition, they must provide documentary evidence of account balances and level of reserves held; demonstrate they have both exhausted prudent levels of reserves and will not use the Community Fund to fund the standard functional operations within an organisation (often referred to as business as usual). Furthermore, Parish and Town Councils are restricted in applying for funding through the SK Community Fund for projects or events that could be supported through the precept process (i.e. the amount of money they require from Council Tax payers in their area), and they cannot utilise re-claimed VAT (Value Added Tax) to provide the required match funding to any application.
- 2.7 When an application from any group is submitted, it must state a start and end date

for the project or event, along with two written quotations for any goods or services costing £50 and above. Grants awarded must be spent on the purpose stated in the application. If for any reason the circumstances change or the group wishes to vary the way in which it spends the grant, they are required to contact the Community Engagement Team to request written permission to do so. Basic changes, such as minor timeline slippage or a change of item to be purchased, would be agreed or declined at the discretion of the Community Engagement Manager. Any significant change to a project would be referred back to the Awarding Panel for consideration.

- 2.8 Grants from the SK Community Fund are paid 75% up front and 25% on completion of the project. In order to release the initial payment, applicants must sign and return their acceptance of the terms under which the grant is offered. Included in the terms is the requirement that within three months of the completion date of the project, applicants must have submitted a completion document and provided copies of invoices and corresponding bank statements as proof of purchase and payment. Only when all this information has been received is the final 25% of the grant released. Paragraph 6.7 of the Fund's criteria states "groups that do not fulfil this obligation will not be considered for future funding (no appeals or discussions will be entered into)".
- 2.9 At the time of preparing this report, 30 funding rounds have taken place since the Fund was introduced. Awards have been granted to 178 capital projects and events. In the successive seven years since the Fund launched a number grants have been either returned or abandoned. The returned grants were the result of projects not being delivered within the allowable timeframe for the funding to be drawn down (one year from the time of the grant being offered). The grants not taken up by the applicant were generally due to the conditions placed on the grant not being met. Conditions are usually placed on an offer when additional funding from other sources is being sought in order to complete a project, licences or other permission are required.
- 2.10 Further adjustments to awards were made when project costings provided at the time of completion were less than stated within the application and when completion documentation was not received within the required three month window. A financial breakdown of awards offered, returned, not taken up and adjusted are listed at **Table One**.

Table One: A financial breakdown of SK Community Fund awards offered, returned, not taken up and adjusted				
Total Awards Offered	Total Not Taken Up	Total Returned	Total Adjustments (including underspends and non-payment of final 25%)	Actual Total (funding to voluntary and community groups across SK)
£774,990	£30,693	£20,605	£1,438	£722,254

- 2.11 Information relating to grants made within a financial year are posted on the community funding and volunteering page of the Council's website. A link is provided at 6.2 - Background Papers.

- 2.12 Funding through the SK Community Fund is often used to support or act as match funding for larger funding bids made by the voluntary and community sector to external funders. The ability to use the SK Community Fund for this purpose therefore helps lever in significant, additional funding to benefit the communities.
- 2.13 Across the four main rounds of funding for 2022/2023 grants were awarded totalling £86,678. This funding generated a further £134,416 from national, regional and local funding bodies to support the delivery of projects within South Kesteven. An additional round of funding from the SK Community Fund to support events celebrating the Coronation of His Majesty King Charles III provided grants totalling £17,490. Collectively, therefore, the District's wider economy benefitted from grants totalling £238,584, with the SK Community Fund as the foundation for growth at the grassroots level.
- 2.14 Whilst it is a little early to identify a change in pattern with only one round of funding completed to date for 2023/2024, requests for application forms for the SK Community Fund appear to have nominally reduced when compared to previous years. This is likely to be a result of competing community funding currently available through South Kesteven's allocation of the UK Shared Prosperity Fund which is being administered by the Council. Increased effort to promote the availability of funding through the SK Community Fund is being made to ensure awareness of opportunities the scheme offers remains across the voluntary and community sector.

3. Key Considerations

- 3.1 The Council places importance on supporting communities with the things that are important to them. To assist communities, the Council, through the SK Community Fund, supports projects and organisations that aim to: reduce loneliness, social and rural isolation and improve mental health and wellbeing.

4. Other Options Considered

- 4.1 The Council could suspend the existing SK Community Fund scheme and rely only on the UK Shared Prosperity Fund, however this Fund has been established since 2015 and has consistently provided funding to voluntary, faith and community groups since this time. Longevity is vital when supporting communities. The need to build trust that schemes and projects will be sustainable is key, particularly when working with emerging groups. The relationship built with the local community through this scheme, and the understanding of community needs, are proven through the number of projects supported and any suspension of it to temporarily replace it with a time-limited funding stream would damage the integrity of the SK Community Fund. It is for this reason, the 'do nothing' option was discounted.

5. Reasons for the Recommendation

- 5.1 The recommendation inviting the Committee to request a further update is to provide support to Councillors in their local leadership role as they work with communities to make a difference.

6. Background papers

- 6.1 *SK Community Fund* – Report to Rural and Communities Overview and Scrutiny Committee, published 16 March 2023 and available online at:

<https://moderngov.southkesteven.gov.uk/documents/s37180/SK%20Community%20Fund.pdf>

- 6.2 *SK Community Fund* – Published information relating to grants awarded during 2022/23 are available at:

<http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=29273&p=0>

7. Appendices

- 7.1 **Appendix A** - SK Community Fund – Criteria, Application Process and Conditions of Funding.