

Somerset West and Taunton Council

Executive – 23 September 2020

The creation of a Community Chest

This matter is the responsibility of Executive Councillor Member Cllr Booth

Report Author: Scott Weetch, Community Resilience Manager

1. Executive Summary / Purpose of the Report

A proposal to use retained Business Rates to create a Community Chest fund of £250,000 to help communities to recover from COVID19.

2. Recommendations

- 2.1 The Executive is recommended to approve a supplementary budget of £250,000 for the Community Chest, to be funded from Business Rates Retention Pilot surplus income due to be received in 2020/21.
- 2.2 Delegate authority to the Communities Portfolio holder to make decisions relating to the spend of this fund.
- 2.3 The Communities Portfolio holder will engage with ward members on proposed spending within their wards.

3. Risk Assessment (if appropriate)

- 3.1 This relates to the specific risks associated with COVID19 and the ability of our communities to respond to and recover from the effects of COVID19.
- 3.2 There is a risk of misuse of awarded funds by a third party organisation or intended initiatives proposed not being successful or hitting issues during delivery. This is mitigated by the maximum value of grant being £5,000 and through the application process which will define criteria against which monies can be spent (covered in 6.3, below)

4. Background and Full details of the Report

- 4.1 The proposed Community Chest is to be used for projects within the community that aid community cohesion, response to COVID19 and recovery of the community. This is by definition a wide remit but the aspiration is that groups of varying size are able to access a timely boost to support their activities. This funding will complement the extensive awards made available and awarded to many businesses in our area and is

very much targeted at recovery to provide more enabling funding to the Voluntary and Community Sector and wider community groups. These are grants to help the community and are separate from business grants, which have been widely promoted and accessed elsewhere.

4.2 The Community Chest Scheme will support one-off initiatives that are:

- supporting COVID19 recovery
- seen as valuable to the area
- are not able to secure mainstream funding from the Council or other sources

One-off grants of up to £7,500, usually not exceeding 75% of the total actual costs are available, i.e. the group will need to find at least 25% from their own or other sources, which can include in kind contribution e.g. volunteer hours.

Priority will be given to:

- projects submitted by small community groups, defined as having an income of less than £10,000 per year and no paid staff
- initiatives that will help community groups to become sustainable in the longer term
- initiatives that will help the community to recover from the effects of COVID19
- groups who have not received a grant/other funding from the Council
- projects aligned to SWT Corporate Priorities

4.3 Retrospective funding applications will be considered on a case by case basis but will not normally be supported.

4.4 Examples of projects that may be funded include signage or screens to allow a community café to operate safely; funds to allow community activities to take place and restore community life; match funds to enable groups to start up and reinvigorate an area from the varying effects of COVID19.

4.5 It is intended that there is an application process through a simple Firmstep form. Applications are up to the value of £5,000 and must not have been previously funded by the Council (e.g. through a business grant). Applications will be automated and then the Community Resilience Team will assess them for suitability.

4.6 A dashboard will be created and used to understand expenditure over time. In addition, the portfolio holder will receive a weekly summary of how funds have been allocated. They must be spent by 31st March 2021.

4.7 The scheme will be widely promoted and therefore we expect applications from across the SWT area. However, the Community Resilience Team in consultation with the portfolio holder will monitor to ensure that there is a geographic spread to the funding allocation. Where it is felt that an area is under represented, further promotion will take place to try to encourage participation.

4.8 Ongoing monitoring of spend and activity will be completed within the Community Resilience Team.

4.9 Members will be able to access a summary of spend on a monthly basis and the Community Resilience Manager will bring a report at the closure of the scheme as to how monies were spent and where benefits were realised.

5. Links to Corporate Strategy

- 5.1 This initiative links to the aims of the Corporate Plan 20/21 in further responding to the effects of COVID19 and supporting our community to respond and recover.

6. Finance / Resource Implications

- 6.1 The budget requirement proposed for the Community Chest is £250,000, which if approved will be a one-off increase to the General Fund Revenue Budget in 2020/21. The budget will be managed within the Housing and Communities directorate, held by the Community Resilience Manager.
- 6.2 It is recommended to utilise a one-off surplus from county-wide productivity initiatives budget, that was funded by increased retained revenues from the 75% Business Rates Retention Pilot in 2019/20 financial year. The overall performance of the Pilot has exceeded expectations, with a surplus available for sharing between the county and four districts in 2020/21. The SWT share of the surplus is £375,000, which is more than sufficient to support this additional budget request, and leave £125,000 additional income to mitigate other financial pressures and priorities during the year.
- 6.3 It is recommended that appropriate safeguards and due diligence are built into the process to minimise the risk of fraud. The strengths of the counter-fraud measures applied to business grants will be helpful in this regard.
- 6.4 It is assumed administration overheads for the scheme will be met within existing budgets.

7. Legal Implications (if any)

State Aid

- 7.1 State Aid is the granting of resources, by the state, to an economic undertaking which places that undertaking in an advantageous position and distorts or threatens to distort competition. The Council is the state and it's likely that most, if not all, VCS groups would be considered economic undertakings. However, the fact that this is an open scheme available to all VCS groups across the district means that state aid is not a consideration. Such schemes may be restricted to a sector such as the voluntary and community sector without invoking state aid because that's the entire sector that these organisations work under. It is also allowed to restrict it to those operating within the district – otherwise the scheme wouldn't be indirectly benefiting residents and visitors. Provided that your scheme is transparent, objective, openly publicised to all eligible groups with published criteria for applying and evaluation state aid should not apply.
- 7.2 Even were it found that State Aid could apply to any one grant being offered to an organisation, the fact that the grant will not be more than £5000 means that it's permitted even if it is State Aid. That's subject to a proviso that the organisation in question has not received more than about £180,000 from the Council in financial support in the last three years – which is the upper limit for such permissible aid. However if only organisations which have had no funding from the Council previously are eligible, that won't be an issue. If a decision was taken to allow an application from an organisation that had direct funding previously (and again that's

funding which would be considered State Aid; not any funding applied for through an open scheme or in payment for services received), checks would need to be made about whether the limit had been reached.

- 7.3 On the basis of the scheme as detailed, however, there are no state aid implications to be concerned about.

8. Climate and Sustainability Implications (if any)

- 8.1 There are no anticipated climate and sustainability implications as this is a one-off funding initiative to help drive recovery from COVID19

9. Safeguarding and/or Community Safety Implications (if any)

- 9.1 None

10. Equality and Diversity Implications (if any)

- 10.1 The scheme will aim to assist projects from a range of providers, mostly community based. There should be a positive aspect to any equality and diversity implications.

11. Social Value Implications (if any)

- 11.1 Not applicable

12. Partnership Implications (if any)

- 12.1 None

13. Health and Wellbeing Implications (if any)

- 13.1 The scheme is intended to positively impact health and wellbeing by allowing communities to deliver projects and recover from the effects of COVID19. This could take the form of breakfast clubs, walking groups, litter picks or other activities that add social value and bring cohesion.

14. Asset Management Implications (if any)

- 14.1 None

15. Data Protection Implications (if any)

- 15.1 Data will be stored in line with Data Protection legislation through use of Firmstep forms to manage the data. It will only be used to administer the scheme.

16. Consultation Implications (if any)

- 16.1 None

17. Scrutiny/Executive Comments / Recommendation(s) (if any)

- 17.1 Not applicable

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – No**
- **Executive – Yes**
- **Full Council – No**

Reporting Frequency: ☐ **Once only** ☒ **Ad-hoc** ☐ **Quarterly**
 ☐ **Twice-yearly** ☐ **Annually**

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