

## Appendix 1

# POLICY FOR THE NEW HOMES BONUS COMMUNITY FUND SCHEME

2018/19

May 2018

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## 1. BACKGROUND

- 1.1. On 22nd February 2018 the Council set aside £2m (£1m in each of 2018/19 and 2019/20), as part of the Medium Term Financial Strategy, for a New Homes Bonus Community Fund.
- 1.2. New Homes Bonus (NHB) is a Government grant that has been paid to Cheshire East Council since 2011 based on the net annual increase in local homes. The bonus is a permanent feature of the Local Authority Finance Settlement, created through top-slicing Revenue Support Grant.
- 1.3. The New Homes Bonus Community Fund will be split across the Borough based on the location of housing developments that have contributed to the New Homes Bonus funding allocated to Cheshire East Council. The scheme provides communities with an opportunity to engage directly in how this funding should be spent, in accordance with locally agreed priorities.

## 2. LEGAL AND BUDGETARY FRAMEWORK

- 2.1. The Finance and Communication Portfolio Holder will be responsible for the administration of the New Homes Bonus Community Fund Scheme and has delegated authority to approve funding applications.
- 2.2. All decisions about use of this funding will be made in accordance with the guidance and principles set out in this Policy.
- 2.3. In approving funding applications the Portfolio Holder will be advised by Award Groups comprising local ward members and representatives from Town & Parish Councils who will, in the first instance, engage with their individual communities to determine local priorities. Membership of each Award Group comprises the local ward members for each Fund Area plus representatives from the Town and Parish Councils as set out at **Annex 1**.
- 2.4. The New Homes Bonus Community Fund budget is fixed at £2m over the financial years 2018/19 and 2019/20.
- 2.5. At the discretion of the Portfolio Holder for Finance and Communication flexibility may be allowed to carry forward funding allocations beyond the 2019/20 financial year.

## 3. SCHEME DESIGN

- 3.1. Spending of the New Homes Bonus Community Fund will be determined in two distinct phases:

Phase One: **Allocation** of Funding to areas by the Cabinet.

Phase Two: **Determination** of the priority activities, by the Local Awards Groups and identification of the most appropriate commissioning route. Applications may be invited from the Community for some activities with a formal grants awards process to determine successful schemes.

## **Phase One: Allocating of funding to areas**

- 3.2. Allocations will be made on the basis of Fund Areas that mirror the seven Cheshire East Council Highways Groups.
- 3.3. The allocation for each Fund Area will be based on two elements: a fixed allocation; and a variable allocation based on the net increase in homes, within each Fund Area, using data for the period October 2010 to October 2017.
- 3.4. The annual Fixed Allocation is £350,000. This to be split evenly between the seven Fund Areas providing individual allocations of £50,000.
- 3.5. The annual Variable Allocation is £650,000. This to be split between each fund area based on net housing completions between 2011 and 2017.
- 3.6. Annual Fund Area allocations are set out at **Annex 2**.

## **Phase 2: Determination of Local Priority Activities and Approval of Applications**

- 3.7. The process for identifying priority activities and the appropriate commissioning route and for assessing and approving applications is set out in **Annex 3**.
- 3.8. In the first instance local Awards Groups will engage with their local communities to determine the priority activities to be funded from the allocated funds. Council officers will provide information and support to the Awards Groups where necessary.
- 3.9. In considering potential uses of the NHB Community Fund the local Awards Groups will have regard to the following key principles:
  - Spending should support the Outcomes within the Council Corporate Plan as set out in **Annex 4**.
  - Activities funded through the NHB Community Fund must demonstrate how they will enhance service delivery and provide tangible additional benefits for the local community.
  - Appropriate governance arrangements must be in place before any spending takes place.
  - There is an expectation that projects will make a visible impact in the local community. For this reason the minimum allocation per project is £10,000.
  - Funding must not be used to pay for administrative expenses that would normally fall to town and parish councils.
  - Proposals may include new services or the amendment or retention of existing services, unless this is in direct contradiction of Council Policies.
  - Funding may only be used for activities which the Council has powers to undertake and must not be used to pay for parties, items that only benefit individuals, fundraising, political or religious activities.
  - Proposals must be self-sufficient and not generate unfunded commitments beyond the 2019/20 financial year.
  - Funding should not be used for projects which have already been completed or are substantially complete (i.e. funding cannot be applied retrospectively).
  - Funds must be committed by the end of the 2019/20 financial year. Any unspent funds may be clawed back and reallocated by the Awards Groups for other projects within the relevant funding area.
  - Funding cannot be used as a substitute for existing s106 funding.
  - Allocations may be pooled in whole or in part with neighbouring areas.

- Activities must demonstrate value for money.
  - Activities should not result in duplication of service provision.
- 3.10. Example bids are set out at **Annex 5**. These are purely illustrative and other uses of scheme funding that satisfy the criteria set out above may be considered.
- 3.11. Once the priority activities have been agreed, the Award Groups will identify the appropriate commissioning route for each.
- 3.12. The three main commissioning routes are: commissioning services from Cheshire East Council; commissioning services from community groups and organisations; and commissioning services from town and parish councils.
- 3.13. Where services are to be commissioned from the Council or town and parish councils officers with the appropriate technical expertise will assist the Award Groups in preparing schemes.
- 3.14. Applications from community groups and organisations will be assessed in accordance with the guidance set out at **Annex 6**. This will be amended to ensure consistency with the Corporate Grants Protocol which will be considered by Cabinet in July.

### **Approval of Applications**

- 3.15. There will be a single application round for New Homes Bonus Community Fund for the financial years 2018/19 & 2019/20.
- 3.16. Council Officers will ‘score’ applications based on the guidance set out in **Annex 7**.
- 3.17. Once all applications are scored the results will be considered by the relevant Award Group and a decision report prepared for approval by the Portfolio Holder. Notice of this decision will be circulated to all elected members who must make any comments within 5 days (the “Call-in Period”).
- 3.18. Should any comments/objections be made during the 5 day Call-in Period a further meeting will be held for the Portfolio Holder to consider them and make a final decision.
- 3.19. Special Conditions may be included in the recommendations report if considered necessary to ensure that the purpose of the grant funding is achieved. For example, if the successful delivery of a scheme is dependent on factors such as securing match funding or obtaining planning permission a Conditional Offer may be made subject to these conditions being met.
- 3.20. If there are no objections the Portfolio Holder decisions will be treated as final and applicants notified of the outcome as soon as possible after the Call-in Period has ended and a conditional acceptance letter issued.

## Annex 1 - Members per Awards Groups and Terms of Reference

Congleton	Councillor Geoff Baggott
	Councillor Rhoda Bailey
	Councillor Paul Bates
	Councillor Gordon Baxendale
	Councillor David Brown
	Councillor Sam Corcoran
	Councillor Martin Deakin
	Councillor Rod Fletcher
	Councillor Les Gilbert
	Councillor George Hayes
	Councillor Derek Hough
	Councillor Andrew Kolker
	Councillor Simon McGrory
	Councillor Gill Merry
	Councillor Barry Moran
	Councillor Michael Parsons
	Councillor Gail Wait
	Councillor Bernice Walmsley
	Councillor Liz Wardlaw
	Councillor Glen Williams
Councillor John Wray	
Town and Parish Council Representative	
Cheshire East Officer (advice only)	
Crewe	Councillor Damian Bailey
	Councillor Joy Bratherton
	Councillor Suzanne Brookfield
	Councillor Clair Chapman
	Councillor Steven Edgar
	Councillor Irene Faseyi
	Councillor Dorothy Flude
	Councillor Mo Grant
	Councillor John Hammond
	Councillor Steven Hogben
	Councillor David Marren
	Councillor Sarah Pochin
	Councillor Jill Rhodes
	Councillor Brian Roberts
	Councillor Margaret Simon
	Councillor Jacqueline Weatherill
	Town and Parish Council Representative
Cheshire East Officer (advice only)	

Knutsford	Councillor Tony Dean
	Councillor Stewart Gardiner
	Councillor Olivia Hunter
	Councillor Jamie Macrae
	Councillor George Walton
	Councillor Hayley Wells-Bradshaw
	Town and Parish Council Representative
	Cheshire East Officer (advice only)

Macclesfield	Councillor Chris Andrew
	Councillor Ainsley Arnold
	Councillor Stephen Carter
	Councillor Beverley Dooley
	Councillor Liz Durham
	Councillor Hilda Gaddum
	Councillor Sam Gardner
	Councillor Martin Hardy
	Councillor Alift Harewood
	Councillor Janet Jackson
	Councillor Laura Jeuda
	Councillor Nick Mannion
	Councillor James Nicholas
	Councillor Lesley Smetham
	Councillor Amanda Stott
	Councillor Mick Warren
Town and Parish Council Representative	
Cheshire East Officer (advice only)	

Nantwich	Councillor Rachel Bailey
	Councillor Derek Bebbington
	Councillor Penny Butterill
	Councillor Janet Clowes
	Councillor Stan Davies
	Councillor Chris Green
	Councillor Peter Groves
	Councillor Andrew Martin
	Councillor Arthur Moran
	Town and Parish Council Representative
	Cheshire East Officer (advice only)

Poynton	Councillor Michael Beanland
	Councillor Harold Davenport
	Councillor Paul Findlow
	Councillor Howard Murray
	Councillor Jos Saunders
	Councillor Mike Sewart
	Town and Parish Council Representative

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## **Terms of Reference for New Homes Bonus Local Awards Groups**

### **Purpose**

- To engage local communities in determining priorities for the use of NHB funding within their area.
- To consider and prioritise local schemes to utilise the individual New Homes Bonus Community Fund allocation in accordance with those priorities.
- To identify the most appropriate commissioning route for each approved proposal.
- To make recommendations to the Portfolio Holder for Finance and Communication for the approval of community grant applications.
- To monitor the delivery of local outcomes from use of the New Homes Bonus Community Fund.

### **Membership**

- Officer representation from CEC (advisory role only)
- Cheshire East Ward Members in the Area
- One representative from each Town and Parish Council in the area

Only Cheshire East Ward Members have voting rights.

If agreement cannot be reached by the Awards Group on the use of the funds, the decision will be referred to the Portfolio Holder for Finance and Communication for decision.

### **Frequency of Meetings**

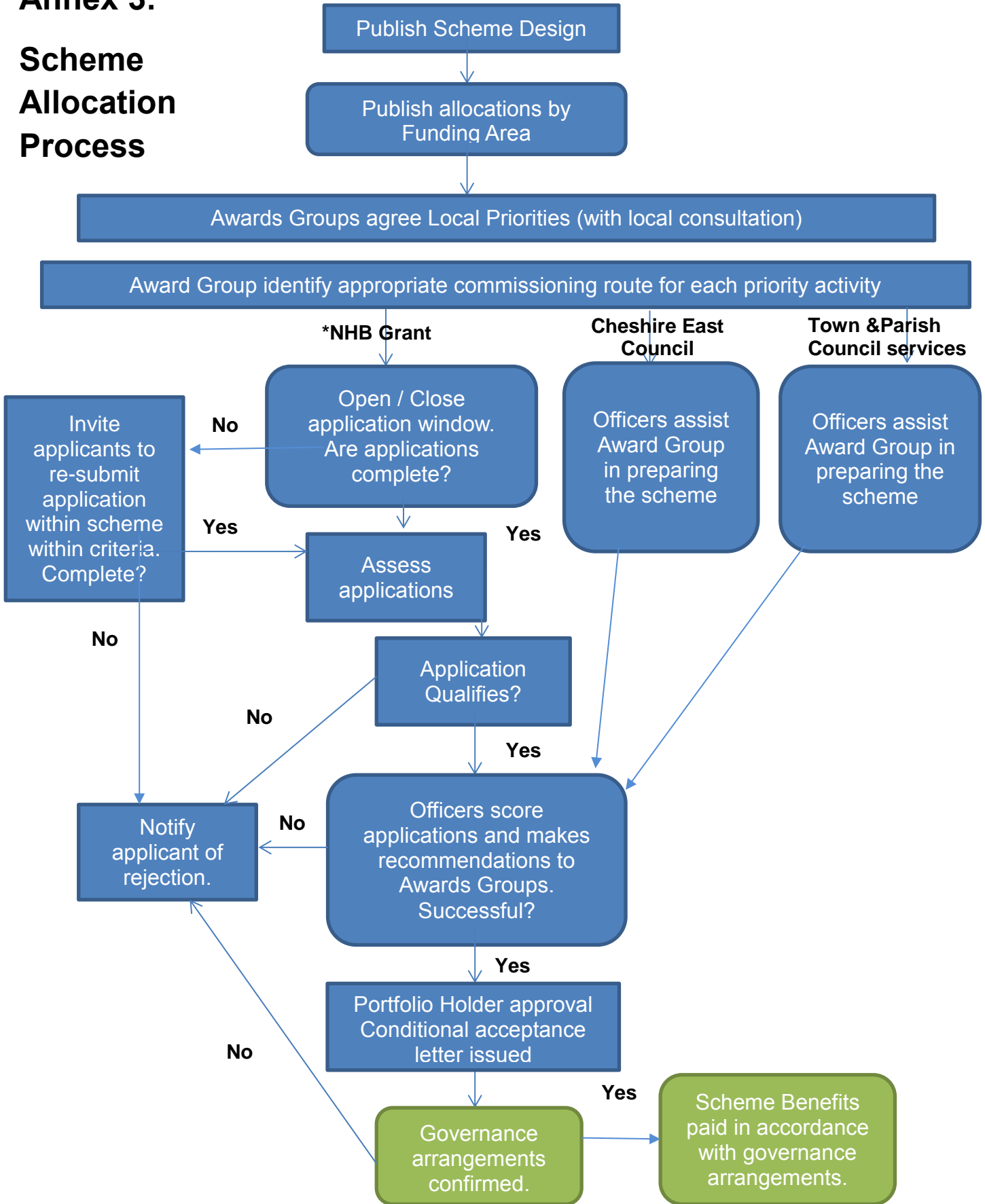
Maximum of 4 meetings per annum.

## Annex 2 - Allocations by Fund Area

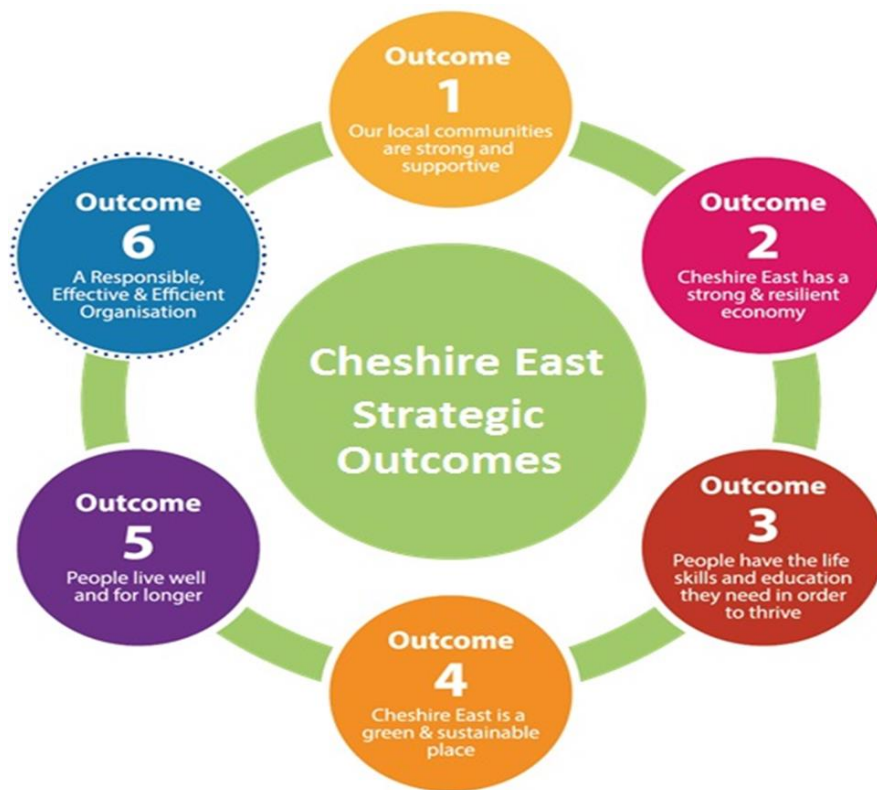
<b>Fund Area</b>	<b>Fixed Allocation</b>	<b>Variable Allocation</b>	<b>Total Allocation</b>
Congleton	£50,000	£278,973	£328,973
Crewe	£50,000	£120,985	£170,985
Knutsford	£50,000	£11,790	£61,790
Macclesfield	£50,000	£71,739	£121,739
Nantwich	£50,000	£112,006	£162,006
Poynton	£50,000	£17,776	£67,776
Wilmslow	£50,000	£36,731	£86,731
<b>Total</b>	<b>£350,000</b>	<b>£650,000</b>	<b>£1,000,000</b>



# Annex 3: Scheme Allocation Process



## Annex 4 – Corporate Priorities



Outcome 1	Active, Resilient and Connected Communities where people want to live	Communities where you are Safe, and feel Safe			
Outcome 2	Culture, Heritage and Tourism	Jobs and Skills	Business Growth and Inward Investment	Infrastructure	
Outcome 3	Securing the Best Start in Life	Highest Achievement for All Learners	Inclusion		
Outcome 4	Sustainable Development	Waste Management	Environment	Affordable Energy Growing Energy Businesses Independent Energy	
Outcome 5	Empowering people to live independent, healthier and more fulfilled lives	Information, Advice and Guidance, Prevention and Early Intervention	Accessible high quality services, Information & Advice	Public Protection, Health Protection and Safeguarding	
Outcome 6	Best Use of Assets	Effective Processes	Engaging Our Staff	Enhance Leadership and Governance	Strong Financial Management

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## **Annex 5 – Example Projects**

Community sport schemes

Community transport schemes

Enhanced community library provision

Community allotments or orchards

Community energy schemes

Youth schemes

Small scale flood protection schemes

Homelessness prevention projects

Small parks improvements

Road safety improvements

# Annex 6 – New Homes Bonus Community Fund Grant Application Process

## 1. HOW TO APPLY

- 1.1. Applications to the Fund must be made using the Council's current New Homes Bonus Community Fund application form and associated guidance notes that are available online on the Council's website and as a paper version on request.
- 1.2. The application form must be completed in full. Incomplete application forms will not be considered and will be returned, which could cause a delay or deferral of an application. A copy of your up-to-date signed Governing Document and Safeguarding Policies must be sent with the application form. If this is not received the application may be declined. Supporting documentation (listed under section 12 of the application form) may also be requested prior to the application being fully considered. Failure to supply all required documentation will result in the application being treated as incomplete.
- 1.3. The closing date for receipt and acceptance of complete applications will be determined and subsequently published by the Portfolio Holder for Finance & Communication.
- 1.4. Grants cannot be paid retrospectively therefore any work commenced prior to acceptance of the grant offer will not be eligible for funding.
- 1.5. All successful applicants will be required to complete a post grant monitoring report as per section 5.0 of this Policy.

## 2. WHO CAN APPLY

2.1 To qualify for a grant Organisations must meet the criteria listed below:

- Operate within the Cheshire East area
- Provide value for money
- Be a voluntary or community organisation, registered charity or other not for profit organisation
- Have a set of audited accounts, or as a minimum an Organisation bank statement, and be able to provide such information as the Council reasonably requires in order to satisfy the Council as to the Organisations financial position and its need for the assistance requested
- Have a management committee with an up-to-date Governing Document which must be signed by at least two members of the committee
- Have appropriate safeguarding policies relevant to their Organisation, which must include a requirement that staff / volunteers are cleared with the Disclosure and Barring Service where appropriate
- Have a bank or building society account in the name of the organisation applying with at least two signatories who are unrelated to each other

- Complete the current application form in full, providing all required information
- Have not already received a community grant for the same purposes within the current financial year.

### **3. CRITERIA FOR FUNDING**

3.1 Priority will be given to projects that build community resilience, such as:

- Community-led and managed activities;
- Increasing volunteering;
- Helping people to help themselves and support each other;
- Reducing reliance and demand on mainstream services;
- Improving the mental health and wellbeing of residents;
- Engaging local people through community groups and their social networks;

3.2 Priority will also be given to organisations which are based in Cheshire East, have funding contributions from their own funds and/or funding support from other bodies. Organisations applying for the first time will be given additional priority, as long as all other conditions are satisfied.

### **4. GENERAL GRANT CONDITIONS**

4.1 Grants are classed as one-off and should not be seen as repeat funding.

4.2 If an Organisation's financial position means that they are unable to begin the project without payment of the grant first they may be entitled to request payment prior to the project commencing. Monitoring information will still need to be submitted 12 months after the date of the offer letter.

4.3 Given the fixed amount of funding available, the Council cannot guarantee to fund the maximum amount applied for via grants. Where there is a funding shortfall the Council will not pay a grant unless the Organisation can demonstrate that the balance of the funding is available from other sources.

4.4 Grants must be spent delivered by the 31st March 2020. Any funds not spent by this date may be clawed back and reallocated for other purposes.

4.5 Failure to achieve agreed milestones or to deliver the agreed outcomes may result in grant funding being reduced or terminated and funds already paid may be subject to clawback either in whole or in part.

4.6 Organisations in receipt of other funding from the Council may apply to this grant scheme if the grant is required for a one-off project which is considered additional to the service already funded.

- 4.7 Any profits from projects or events must be used to further develop the Organisation or for any future events and not used to support other Organisations.
- 4.8 If the project involves work on land or a building, including refurbishment, the applicant must own the freehold of the land or building, or hold a lease that cannot be brought to an end by the landlord for at least 5 years.
- 4.9 If planning permission is required this must be in place before the grant application is made. The Council may ask for confirmation that planning permission is not required, or that it is required and has been granted. Grant applications without planning permission in place will only be considered if the application is for a feasibility study or architects fees in order to establish the viability of the project.
- 4.10 Organisations must be committed to and have policies on equalities and inclusion and in delivering the services or activity the Organisation must not unlawfully discriminate, directly or indirectly against any of the nine protected characteristics which are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation. The Organisation can direct some or all of its activities at specific groups where the intention is to address discrimination or disadvantage.
- 4.11 Organisations will be required to participate in a monitoring process and provide monitoring information to evidence how the grant money has been spent, the outcomes and value for money delivered and adherence to the conditions of the grant. This must include receipts or invoices and a written report of the project, activity or event, plus photographs if possible, on completion.
- 4.12 Organisations must acknowledge the support of Cheshire East Council in press releases, publicity and advertising etc. Electronic copies of the Council's logo will be sent with grant offers.
- 4.13 The Organisation will allow Cheshire East Council to use details of the grant award, together with any relevant photographs supplied, in media releases and on the Council's website.
- 4.14 Where expenditure is incurred on the project, activity or event prior to the grant decision being confirmed this shall be at the Organisations risk. In these circumstances the Council reserves the right to withdraw any conditional grant offer made.
- 4.15 Organisations must notify the Council of any material changes in circumstances which affect their financial position or governance throughout the period in which the grant monies are being used.
- 4.16 The grant must only be used for the purposes specifically stated in the application form, Should it be spent in any other way, without written approval from the Council, the Organisation may be asked to return some or all of the monies paid.
- 4.17 If the project, event or activity is cancelled or only partially achieved, or if the Organisation is wound up, any unused grant money must be returned to the Council.
- 4.18 All conditions, under which the grant has been awarded, including any Special Conditions, must be met. Failure to do so could result in the Organisation being asked to repay the grant monies to the Council.

## **5. MONITORING AND RECORD KEEPING**

- 5.1 Following a successful application and in order to ensure that monies are used in an appropriate manner, as set out in this Policy, a monitoring report will be required following project completion. This report shall include, but shall not be limited to, how many people benefitted from the project, if a profit was made and how it was used, how the grant money was used and what difference the project made to the Organisation and/or local people.
- 5.2 Invoices or receipts dated prior to the date of the offer letter will not be accepted or reimbursed.
- 5.3 The Council reserves the right to monitor the use of the fund and ask for evidence to support an application.
- 5.4 Any Organisation commissioned under this or in receipt of a grant must allow reasonable access to premises/accounts upon request from the Council.
- 5.5 Any Organisations commissioned under this or in receipt of a grant must retain records relating to the grant for an appropriate period (to be advised depending on the grant).
- 5.6 If Organisations commissioned under this or in receipt of a grant do not supply satisfactory monitoring reports and supporting information in full and within the set time scale they may be asked to repay the funding to the Council. Failure to comply with conditions of this may be taken into account when considering any further applications for Council funding made by the same Organisation in the future.

## Annex 7 - Guidance for comparing applications

Criteria	Score	Definition – A high comparative score indicates that the application:
<b>Ability of the Application to achieve outcomes</b>	Up to 25pts	<ul style="list-style-type: none"> <li>- clearly defines the outcomes it will achieve</li> <li>- aligns the projects outcomes to the Council's outcomes</li> <li>- provides evidence to support the application</li> <li>- includes commitments from the projects participants</li> <li>- provides a legacy of benefits to the community</li> </ul>
<b>Value for Money</b>	Up to 20pts	<ul style="list-style-type: none"> <li>- project is collaborative with other areas / organisations</li> <li>- supplemented by additional funding sources</li> <li>- provides evidence to support the application</li> <li>- presents a cost effective alternative use of funding</li> </ul>
<b>Strong governance</b>	Up to 15pts	<ul style="list-style-type: none"> <li>- has clear decision making and control arrangements</li> <li>- has experienced individuals leading the project</li> <li>- has suitable contingency strategies</li> <li>- is protected by risk and insurance arrangements</li> <li>- has sufficient capacity to deliver project in full</li> </ul>
<b>Community engagement</b>	Up to 20pts	<ul style="list-style-type: none"> <li>- has high levels of volunteer commitments</li> <li>- is both inclusive and representative of the local community</li> <li>- addresses a need specific to the area served by the project</li> <li>- includes commitments from the projects participants</li> </ul>
<b>Deliverability and Risk Assessment</b>	Up to 20pts	<ul style="list-style-type: none"> <li>- land and property issues have been properly considered</li> <li>- necessary planning and regulatory consents are in place</li> <li>- full risk assessment indicates that the outcomes are deliverable within the proposed budget and timescale</li> </ul>
<b>Additional Scoring</b>		
<b>Linked to the impact of housing growth</b>	Up to 25pts	<ul style="list-style-type: none"> <li>- mitigates impact of housing growth in specific wards/parishes</li> </ul>