

Agenda Item	
Report No	

27 June 2013

COMMUNITY CHALLENGE FUND

Report by the Assistant Chief Executive

Summary

This report recommends approval of an application for the Community Challenge Fund and provides an update on the operation of the Fund.

1. Introduction

- 1.1 The Highland Council agreed the Programme for the Highland Council on 28 June 2012 and this included a commitment to *the introduction of a community challenge fund of £1million to support community projects which explore new ways of delivering services at a local level.*
- 1.2 At its meeting on 25 October the Council agreed the criteria for the Community Challenge Fund (CCF) and the procedure for dealing with applications as follows:
- Delivering a service at a lower cost
 - Providing a higher level of service for the same cost
 - Helping to reduce the Council's cost for maintaining premises
- 1.3 The Fund was launched in January 2013 and communities were invited to submit Expressions of Interest for Round One by 1 February and a subsequent invitation was submitted for Round Two with a deadline of 1 May.

2. Round One

- 2.1 35 Expressions of Interest were submitted and considered by the Officers Working Group which made recommendations of the CCF Panel. The Panel agreed that six Expressions of Interest had met the criteria for the CCF and should be invited to submit full applications.
- 2.2 Three applications have been received, to date, and have been considered and it is recommended that Highland Council approves the applications from the Kyle & Lochalsh Community Trust and Fort Augustus & Glenmoriston Community Company, as detailed below, and note the withdrawal of the application from the Nairn Cricket Club. A further three applications, from Round One, are expected to be submitted for consideration in due course.
- 2.3 Kyle & Lochalsh Community Trust
The Trust proposes to take on responsibility for the Kyle of Lochalsh toilets and the pontoons in the harbour.
- 2.4 The Trust proposes to provide attended public toilets and to apply for grant aid to upgrade the showers so they can be reopened. This would require the toilets to be removed from the current Contract and for arrangements to be made to transfer the asset to the Trust.

- 2.5 The Trust has applied to the Harbours Board and received approval, in principle, to take over the existing pontoons. They now need to make a formal application for a mooring licence, for which there is a charge based on the length of the pontoon. The Trust would have to pay the annual mooring fee to the Council but would be free to levy their own berthing fees on vessels using the pontoons. They also intend to apply separately for grant aid from the European Fisheries Fund to replace the pontoons (which are 15 years old) probably with a larger size.
- 2.6 The conclusion of the CCF Panel is that the current application does meet the criteria for the Community Challenge Fund in that it will deliver a higher level of service and reduce the cost to the Council of maintaining and replacing facilities – maintenance costs are estimated at £5000 to £8000 per annum and are currently funded from income which in future will be collected by the Trust. The Council can provide funding of £13,800 per annum to the Trust for the provision of services on the condition that the Trust meets any additional costs from income. This will also enable the Trust to access grant aid to support investment in the toilet/shower facilities and pontoon from other sources. The cost will be met from the TEC budget.
- 2.7 There are no staffing implications for the Council, although there is a potential TUPE implication for a member of staff from the contractor who provides the current toilet cleaning service. Transfer of responsibility for the toilets, to the Trust, would require a variation to the toilet cleaning contract and this has been taken into account in the financial position (above). Arrangements will have to be agreed for the transfer the assets and this would need to be confirmed by the Asset Management Board. If the assets are transferred then the Council would require a clause which would return these assets to the Council in the event that the Trust was no longer able to deliver its service obligations.
- 2.8 **The CCF Panel therefore recommends the approval of this application from the Kyle & Lochalsh Community Trust, as outlined above, subject to satisfactory terms being agreed in respect of funding, asset transfer and legal matters.**
- 2.9 Fort Augustus & Glenmoriston Community Company
The Company proposes to take on responsibility for street cleansing and grounds maintenance within the community.
- 2.10 The Company proposes to undertake all street cleansing within the community and to employ two officers to undertake this work (1.6FTE). The officers will also be responsible for providing an enhanced level of grounds maintenance including management of shrubs and flower beds. The Council would provide the Company with access to equipment (31 weeks a year) to enable this work to be done.
- 2.11 The conclusion of the CCF Panel is that the final application does meet the criteria for the Community Challenge Fund in that it will deliver a higher level of service at the same cost to the Council. The Council can provide funding of £15,500 per annum to the Company and this will be funded from the TEC Services budget and an equivalent investment will be made by the Company. The Company does not wish to take on responsibility for toilet maintenance and the Council proposes to transfer this responsibility to its external contractor and to retain the funding for this aspect of the service.

2.12 Currently the Council does employ a Village Officer on a temporary contract, who undertakes some of these duties. Under this proposal the funding for 0.6 FTE will transfer to the Company and they will employ 1.6 FTE by investing their own funds. The Trade Unions have been consulted on this proposal and have expressed a concern about the post, in future, being employed by the Community Company. Transfer of responsibility for the toilets, to the external contractor, would require a variation to the toilet cleaning contract and this has been taken into account. A legal agreement will need to be put in place with the Company for the delivery of services but there are no further legal or procurement implications arising from this application.

2.13 **The CCF Panel therefore recommends the approval of this application from the Fort Augustus & Glenmoriston Community Company, as outlined above, subject to satisfactory legal terms being agreed.**

2.14 Nairn Cricket Club

The application from the Nairn Cricket Club has been withdrawn as the Club has been able to agree the required service improvement with TEC Services, thus achieving a positive outcome for the Club.

3.0 Round Two

3.1 Eight Expressions of Interest were submitted for Round Two and the CCF Panel has agreed that one meets the criteria for the Fund and should be invited to submit an application.

4.0 CCF Application Process

4.1 The Panel has also considered the lessons learnt from the implementation of Round One of the CCF and steps have been taken to improve the process for applications, including:

- First Point of Contact is provided by Ward Managers, and this is now included in the Guidance for Applicants, to provide advice and guidance on the CCF, criteria and process for submitting an initial Expression of Interest;
- Ensuring that there is clear guidance in place for officers, relating to their role in providing information and support to applicants, with a lead officers allocated to each Expression of Interest when it is submitted with necessary support from officers in finance, HR, legal and procurement;
- A Seminar is being held for all officers involved in the CCF process and this will include partner organisations who have Community Development Officers working with communities e.g. NHS, HIE etc;
- Formal arrangements are being put in place to ensure that partner organisations have the capacity to support groups wishing to develop applications for the CCF i.e. Highland Third Sector Interface and HISEZ.

5.0 Implications

5.1 Resources – the approval of the application from the Kyle & Lochalsh Community Trust will result in TEC Services funding the provision of service by the Trust at the current cost of £13,800 per annum and will remove the need for the Council to meet maintenance costs of between £5000 and £8000 per annum, which will continue to be funded from income that in future would be collected by the Trust.

The approval of the application from the Fort Augustus & Glenmoriston Community Company will result in TEC Services funding the provision of service by the Company at the current cost of £15,500 per annum and this will deliver a higher level of service than previously provided. There will be no funding required from the Community Challenge Fund.

- 5.2 Legal – the approval of the application from the Kyle & Lochalsh Community Trust will require a legal agreement with the Community Trust and the transfer of assets. In the event that the Trust can no longer provide the service the assets would revert to the control of the Council. There will have to be a variation to the current contract for toilet maintenance to enable service delivery for the toilets to transfer to the Trust. The Trust has been advised that a member of staff employed by the contractor may require to be transferred to the Trust under TUPE Regulations. Similarly the approval of the application from Fort Augustus & Glenmoriston Community Company will require a legal agreement to be put in place for the delivery of services.
- 5.3 There are no equalities or climate change implications arising from this report.

6. Recommendation

The Council is asked to:

- 6.1 **agree** the recommendations of the Community Challenge Fund Panel to approve the applications from the Kyle & Lochalsh Community Trust and Fort Augustus & Glenmoriston Community Company, as detailed in Section 2;
- 6.2 **note** the progress with the implementation of the new Community Challenge Fund;
- 6.3 **agree** that authority be delegated to the Assistant Chief Executive, Director of Finance and Director of TEC Services to finalise the necessary legal agreements.

Designation: Assistant Chief Executive

Date 18 June 2013

Background Papers:

Community Challenge Fund Panel Report – 6 June 2013

Highland Council Report – 25 October 2012