

## Community Building Grants

### Summary Consultation Report

November 2016

#### 1. Introduction

This report presents the findings from a consultation undertaken about the proposal for a Community Building Grant.

#### 2. Background

As part of a budget decision on 25 February 2016, Bradford Council agreed to reduce the discretionary support available to Voluntary and Community Sector (VCS) organisations.

In setting the budget for 2016/17 onwards, three specific budget reductions were proposed in relation to rental subsidies, business rate relief and community development. These are:

- a) **Remove rent subsidies provided to VCS organisations**
- b) **Reduce Community Development grants**
- c) **Remove discretionary business rate relief to not-for-profit organisations**

**Community Centre Core Costs Grants** were included with the three proposals as requested by the sector during the Council's budget consultation.

**It is proposed that these changes will take effect from 1st April 2017.**

A review was undertaken of the different types of support given to the VCS and a proposal developed. The aim of the review was to find the most effective way to invest the remaining resource and ensure effective use of the funds. This resulting proposal merges the remaining support available into one Community Building Grant and devolves the decision making to Area Committees in order to increase fairness, transparency and accountability.

Given the significant reductions in available funds the review group prioritised community buildings. Consequently there will be no money available for community development workers.

The review group concluded that the best way forward is to combine all remaining resources and establish a single process, based on an extended core costs model.

### **3. Consultation**

The consultation period lasted four weeks, closing on 9 November 2016. Prior to this the public had opportunities to feed back on the budget proposals which have led to these reductions for community development and buildings related support.

#### **a) Methodology**

- One open meeting - 150 recipients of current support were invited
- Written representation

##### Consultation meeting

More than 60 people representing organisations from across Bradford District as well as the infrastructure support organisations and voluntary sector support officers attended the meeting on 19 October 2016.

Following a presentation attendees were asked to feed back their concerns and issues.

Four questions were asked:

What are the opportunities presented by this process?  
What are the challenges?  
What alternative suggestions or ideas do you have?  
Should there be a maximum limit?

##### Written representation

Thirty one written representations were made from individual organisations and Bradford CVS.

## **4. Results**

The responses have been relatively detailed with some key emerging themes.

### **a) Acknowledging contribution to society and community impact**

Respondents are very concerned that the proposal to cut funding to the sector does not properly take into account the contributions made by the VCS to society or the savings made by people accessing early intervention support through these organisations.

Many representations detailed concerns for the roles of their organisations in the community and expressed their dismay that the true value of the voluntary sector was not being sufficiently considered.

Several organisations asked if a Community Impact Assessments had been carried out.

### **b) Fear of closure**

Nearly all attendees said they have grave concerns about sustainability. Seven of the written representations explicitly said that they would not be able to remain open if there were any more increases in rents or rebates [?]. Many organisations said the reduced rents and rates are a 'lifeline'.

### **c) Accumulative and compounding impacts**

Concern was raised about removing community development workers at a time when they could have helped support communities and devise innovative ways to raise funds. Organisations are experiencing difficulty in securing funding from others sources due to limited availability and increased competition.

### **d) Equity**

There were several points made about equitable access to and distribution of the funds. Such as:

- Smaller charities feel at a disadvantage to bigger national ones (with local base) which have professional fundraisers who help access this and other funds.
- Some bigger organisations feel that this process may disadvantage them if preference is given to unstaffed organisations
- There are concerns about organisations who work with specific groups of people, e.g. women or girls, that they may be excluded
- Fear was expressed that the Area Committee process will not be fair and political views will distort the process.
- There was concern over how deprivation and need may be taken into account in allocations between areas

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#### **e) Commercial market rates**

There was a very strong feeling at the event and in written representations that if organisations have to pay commercial rates for dilapidated, out of date buildings then the Council should behave as a responsible landlord and bring the builds up to regulation and provide high quality on-going maintenance in keeping with the rents they are charging.

#### **f) Concerns about individual circumstances**

Nearly all representations had questions about individual circumstances. Concerns range from affordability of full rent and rates to eligibility for the new Grant.

#### **g) The consultation process**

Concerns include short timescales and who was invited to participate in the consultation process i.e. current or potential recipients.

#### **h) Community Asset Transfer (CAT)**

Respondents were concerned that asset transfer was not an easy process and queried whether it would be possible to look at the process and make it quicker for organisations who would like to pursue a CAT.

#### **i) Small Business Rate Relief**

The key question was: 'Has the Council identified how many organisations are eligible and has this been factored into calculations of the savings?'

Once the legislation is in place the information will be updated.

#### **j) The District Plan**

Several respondents said that they support many of Bradford Council's District Plan outcomes including actions that state 'the VCS will open and use buildings to support different services' and communities. They felt that reducing rents and rates subsidy was not consistent with this aim.

#### **k) Cost benefit analysis**

Respondents said the Council had not undertaken a thorough enough cost/benefit analysis for the proposal. They suggested that though the Council may save a significant amount of money the District will lose important social capital.

It was asked if organisations cannot afford full rates and rents and have to vacate the premises, would new tenants be found and would the projected income be generated.

#### **l) Further questions:**

- Will there be a limit on the amount anyone can apply for?
- Will funding be agreed for two years or only one?
- Do the Area Committees have sufficient knowledge to make those decisions?
- There are concerns around the compact process notice periods. Timescales for implementation are too tight.

#### **m) Alternative ideas**

A few ideas were suggested at the consultation event:

- Include people from the VCS sector in developing proposals, e.g. £100K for community development work available to draw in match funding to increase amount of community development work done, e.g. central team. The assembly steering group have offered this on numerous occasions.
- Is there a role for Parish Councils to support community buildings?
- Are there energy saving grants e.g. solar panels?
- Merge small organisations to minimise use of facilities and reduce costs.
- Is the Council willing to sell assets?

### **5. Summary**

Although, respondents accepted the challenges facing the Council, they felt that reducing buildings related support could undermine the voluntary sector at a time when the Council and other public services are not able to provide the same range, quality and quantity of services.

Respondents said that the plan to charge commercial rents and rates at the same time as removing community development support was not well thought out. They were sceptical that the expected savings would materialise and even if they did, the savings would be cancelled out by increase in cost of maintaining, renovating and letting vacant and sub-standard buildings. Savings would be cancelled out by the decrease in support to communities which could increase demand for public sector services.

Community Buildings Grant  
November 2016

Frequently asked questions

This document presents answers to some of the questions which were raised throughout the consultation period. This document should be read in conjunction with the Consultation Report.

**1. When was the decision taken to reduce the subsidies and support given to the Voluntary and Community Sector (VCS)?**

This was decided by Full Council on the 25<sup>th</sup> of February when elected councillors agreed the Budget for 2016/17 and 2017/18.

**2. How will you decide on who is funded and who isn't? Who will make these decisions?**

Decisions will be made by the Council's Area Committees. These consist of local ward members. They will be supported by the Council's Neighbourhood and Customer Service, Estate Management and Revenues and Benefits Service.

**3. When will the new fund become operational?**

Groups will be invited to make an expression of interest from November 2016. They will be informed of their allocations in February 2017 and funding will start from April 2017.

**4. Can communities of interest or other District-wide groups apply?**

Yes they can. However, we want to encourage people to make best use of their building and support the wider community by enabling other sections of the community to access buildings when they are not being used by specific community of interest groups.

**5. We are a school whose hall is used by the community at the weekends can we apply?**

No, the fund is not open to schools.

**6. We own the building but lease the land from the Council. Can we apply to the Community Buildings Grant?**

Yes, the grant is in respect of land and property assets.

**7. Our organisation has never applied for support with our buildings cost. Can we apply to this fund?**

Groups based in Bradford District, who do not currently receive rate relief, rental subsidies, CD worker grants or Community Centre Core Cost grants can apply for this funding.

**8. When will rent subsidy and discretionary rate rebates end?**

The business rates apply from 1<sup>st</sup> April 2017 as per the new rating list.

New rents will be negotiated as leases come to an end. The amount payable will revert to the full rent payable in accordance with the terms of each individual tenancy agreement.

**9. If we successfully apply for a Community Asset Transfer (CAT) will we still have to pay rent and rates?**

You will be required to pay rent and rates in accordance with the agreed terms of the Community Asset Transfer.

**10. We have registered with HMRC as a community and amateur sports club. This means we get 80% relief on business rates. Do we get the same level of reduction on our rent?**

No, all rent subsidy on Council owned property comes to an end.

**11. How are property rental rates decided for community buildings? Is it negotiable?**

Rents are negotiable. The basis for how rents are determined is set out in the rent review clauses of each tenancy agreement.

**12. How is the rateable value of a community organisation decided?**

This is determined by the Valuation Office Agency (part of HMRC). The Rateable Value broadly represents the yearly rent the property could have been let for on the open market on a particular date.

**13. If organisations are not able to afford the increased rates and or rents, what happens to the existing leases? Will the Council enforce them?**

If, after decisions on Community Buildings Grants are made, an organisation feels they are unable to pay their rent we would encourage you to contact the Council's Estates Management Team straight away.

**14. If we are going to pay more to the Council, will the Council increase the maintenance they carry out on the property and land in line with the increase?**

The Council will carry out maintenance as per the terms of each tenancy. The Council will not carry out repairs and maintenance where leases state that tenants are responsible for all repairs and maintenance.

**15. Has the Council taken into account that organisations have spent thousands of their own finances on maintaining and improving the building?**

The majority of the Council's tenants which currently receive rent subsidy have entered into tenancy agreements which specify that tenants are responsible for all repairs and maintenance to the buildings. Rental subsidies have been a form of grant assisting tenants with building-related costs.

Where tenants have carried out improvements with the consent of the Council as landlord any increase in value attributable to the improvements will be disregarded at rent review.

**16. We are a building with lots of tenants. Who will you deal with; the building as a whole or each individual sub-tenants?**

The Council will only deal with its tenant. The Council as landlord has no involvement in any subletting that the tenant may have entered into.

**17. When will organisations hear whether they will be eligible for Small Business Rate relief and should they still apply for a Community Building Grant?**

We are currently waiting for government legislation to confirm the new limits which will apply to the Small Business Rates Relief. Until this is clear, you should complete an application for a Community Building Grant.

**18. What is Mandatory Rate Relief and how will we know if we are eligible?**

This is business rate relief which is available to organisations which are registered Charities or registered Community Amateur Sports Clubs.

If you currently receive this, it will continue from 1<sup>st</sup> April 2017.

**19. Has the Council undertaken an impact assessment on the proposal, to remove subsidy for rents and rates and community development workers? Does the Council understand the challenges this may create for the VCS?**

We value the significant contributions the VCS make to the District and recognise that this is a significant period of change. Therefore, the Council will continue to provide support for community groups through the VCS Infrastructure agreements and the Voluntary Organisations Support Officers.



We have conducted an impact assessment as part of the budget proposal and consultation process. Each organisation which applies for the funding will be asked to complete an individual impact assessment which will be considered as part of the decision making process.

## **20. What support is available to help organisations through this period of change?**

**Rental subsidies** (Estates Management Team; as part of Estates & Property) please contact Estate Manager Belinda Gaynor, on 01274 434309 or email: [belinda.gaynor@bradford.gov.uk](mailto:belinda.gaynor@bradford.gov.uk)

**Discretionary rates** please contact the Business Rates Team on 01274 437744 or email [Business.rates@bradford.gov.uk](mailto:Business.rates@bradford.gov.uk)

**General Community Building Grant (CBG) queries** you can contact Ward Officers through the Area Co-ordinator's Offices on:

- Bradford East 01274 431066
- Bradford South 01274 431155
- Bradford West 01274 432597
- Shipley 01274 437146
- Keighley 01535 618008

**Community Development Worker's** can assist with the grants process, the contact details will be available from the Area Offices (numbers above).

Contact details for the 'Voluntary Organisation Support Officers (VOSOs)' who can assist with this process are:

**Chris Barker** – (for Keighley) through KIVCA 01535 665258 or email [chris@kivca.org.uk](mailto:chris@kivca.org.uk)

**Clive Whittaker** through Bradford CVS: 01274 722772 or email [clive@bradfordcvs.org.uk](mailto:clive@bradfordcvs.org.uk)

**Lincoln Oakley** through Bradford CVS: 01274 722772 or email [lincoln@bradfordcvs.org.uk](mailto:lincoln@bradfordcvs.org.uk)

**Sarah Moss** at Shipley & Bingley Voluntary Services: 01274 781222 or email: [sarahmoss@sbvs.org.uk](mailto:sarahmoss@sbvs.org.uk)

The Council will seek to secure some additional support through the CVS and SBVS on a time limited period.

For any process questions, please contact Programme Support Officer **Annette Wray** on 01274 431332 or email at [annette.wray@bradford.gov.uk](mailto:annette.wray@bradford.gov.uk)

Or **Amria Khatun** as the Stronger Communities Delivery Co-ordinator on 01274 437467 or email: [amria.khatun@bradford.gov.uk](mailto:amria.khatun@bradford.gov.uk)

If you feel that you will have difficulties in paying either rent, or business rates, then you need to discuss alternative arrangements with the appropriate service, to avoid getting into arrears.