

1. Background

In early 2012 the Department for Communities and Local Government sought applications from towns wishing to be part of the national initiative to enhance the economic vitality of high streets by innovative and collaborative approaches, as suggested by Mary Portas in a report to government. Members of Parliament were invited to take a prominent role in bringing together Town Teams.

2. Project application

In March 2012 an application for Halesworth Town Team funding of £100,000 was submitted. The “Organisation name” of the applicant was stated as: “Halesworth Town Centre Group (body of Traders), In partnership with: Halesworth Town Council [HTC] & Halesworth & Blyth Valley Partnership [HBVP]”. Laura Churchill was named as the lead.

Waveney District Council (WDC) was named as the Accountable Body. “Other partners involved in your application” were named as HTC and HBVP. All these organisations and others provided letters of support. The application does not set out the respective roles of the different partners.

The application made commitments to public involvement including via periodic public meetings and the HTC web page.

In September 2012 it was confirmed that Halesworth Town Team would be awarded the smaller sum of £10,000. On this basis a revised proposal was submitted to DCLG containing seven areas (Annex A; see bulletpoints below).

3. Grant award

DCLG paid WDC the £10,000 by way of a grant under section 31 of the Local Government Act 2003. WDC took the role of Accountable Body for the project, arranging the release of funds to HBVP. DCLG provided WDC with guidance on principles of transparency for the Portas projects.

4. HBVP as delivery organisation

There is no separate legal entity of Halesworth Portas Town Team, and the council paid the funds to HBVP. HBVP is a registered charity, number 1099489. WDC has therefore held HBVP accountable for the project and any arrangements to delegate or pay others to carry out activities must have been properly agreed by HBVP’s trustees and consistent with the Service Level Agreement for the project

5. SLA and agreed activities

WDC entered into a Service Level Agreement with HBVP on 7th January 2013 (HBVP signature date). These terms include that WDC would “...pay the Portas Pilot Monies to the Halesworth and Blyth Valley Partnership (ring fenced for the Portas Pilot Town Team) on the production of an invoice for £10,000...”. (Annex B).

The SLA also set out seven areas of activity that were used in subsequent reports for the project. These strands were transposed from the funding bid, which stated:

- A **pop-up/Community shop** has already been successfully piloted, the concept of the community 'Right to Try'. Local artists/craft makers/young entrepreneurs/ school leavers will be encouraged to take the shop on a weekly basis.
- **LOVEHALESWORTH campaign:** We will launch a LOVEHALESWORTH campaign with distinctive advertising, theme-ing, colour blocking and labels to be used on local products and crafts. To encourage return visits, traders could offer plasticised wipe-clean themed recipe cards for their local produce.
- A LOVEHALESWORTH monthly **market** with branded awnings would be used as an 'incubation facility' for entrepreneurs to test their products.
- We will reward traders with **small grants** for innovative and original ideas- to deliver something new, the success of which could be monitored and measured as a key requirement.
- Halesworth is strategically placed to become a **Regional Centre for Cycling**, capitalising on our good rail network, the National Cycle Network Route 1 and our close proximity to the coast and Europe, where cycling is a major leisure pursuit. We will provide facilities for repairs, storage, advice, refreshment, routes and accommodation information.
- The development and sustainability of the derelict site around the car park is key to regenerating the Town Centre. Community engagement has indicated enthusiasm for a **communal space**, with more (but dismantlable) retail, so a national challenge will be launched to the architectural community to submit designs that respect and enhance the heritage of Halesworth.*
- Vital improved **signage** will be used to rectify the visually unappealing Town entrance, to attract footfall and provide a welcoming aspect to Halesworth.

*This strand included the Old Print Works project described in the periodic returns to WDC.

The project was funded for 2012/13 with an option for the council to extend the agreement into 2013/14, and this extension took place.

The SLA contained indicators intended to measure the effect of the activities and to be supplied to WDC each quarter:

- Average footfall on a weekday;
- Average footfall on a Saturday;
- Average journey time to the Town;
- Average amount spent within the town (longevity of stay in the Town);
- Average duration of time within the Town;
- Rate of Positive feedback from social media;
- Qualitative feedback in person via shopkeepers and visitors.

6. Quarterly returns (finance, activities)

The Town Team supplied an activity report to WDC Funding Team in March 2013 and September 2013 and there were also regular meetings and conversations between WDC

and the Town Team. By March 2013 £6,850 had been expended and by 6th September 2013 this had reached £8,839.22.

The reports show that the Old Print Works was a major element of the Team's work. HBVP states that WDC advised that HBVP's charitable status could assist the Old Print Works project because it would be eligible for rate relief, and HBVP has occupied the site on a temporary basis for three years.

7. Accounting for and managing the grant funds

HBVP's accounts are compiled by the Treasurer of HBVP and prepared by Lovewell Blake. The charity's accounts for the year to 30th April 2013 show the grant sum of £10,000 as owed to creditors (Annex C). WDC has been told that this arrangement was put in place at the advice of Lovewell Blake in order to implement the ringfencing required by the SLA. HBVP have supplied a memo clarifying how the release of these funds to payees was controlled (Annex I).

8. Governance

The HBVP registered charity and unincorporated Halesworth Portas Town Team are separate entities, as reflected in the way the charity's accounts treat the Town Team. The charity's trustees are named in its annual accounts, and must act within the terms of the Charities Acts and regulation by the Charity Commission. The Town Team, as its name suggests, was brought together to undertake practical work, meeting often weekly and having a flexible membership of those willing to contribute. Several active members of the Town Team have also been trustees of HBVP at the same time. WDC has not been provided with a list of those acting as the Town Team at various times during the life of the project.

9. Final return and project closure status

In September 2014, WDC received a table for the 31st March 2014 position showing expenditure of £10,189.76 according to the different strands of the project (costs above the £10,000 level have been drawn from the charity's funds). This was accompanied by a report providing a description of the Town Team's activities up to the closure of the grant-funded project on 31st March 2014 (Annex H). The report includes an Exit Strategy explaining the future of ongoing strands.

WDC's Funding Manager has compared the transaction sheet setting out all the items paid from the grant with evidence held by HBVP's bookkeeper. This involved seeing each invoice or receipt for items paid to suppliers, cheque stubs and bank statement entries proving that the funds were defrayed on the items stated in the transaction sheet. WDC has retained a sample of invoice copies. In this way WDC has been able to confirm that a full record of payments has been maintained for the project and that the Portas funds have been properly used for the stated purposes. The table provided by HBVP to show the allocation of paid items to the project strands is included as Annex E to this document.

10. Conclusion

The use of the grant has reflected the activities set out in the project proposal. This use of the funding has been flexible and responsive within the spirit of the Portas Review, and has been spent as shown in the table below.

Project	Allocated	Expenditure	Notes
Pop-up/community shop	£2,000	£1,625.52	Purchase of market stalls.
LoveHalesworth Campaign/brand	£2,000	£1,665.00	1,000-Halesworth bags purchased.
Regeneration of Town Centre	£2,500	£3,007.30	Lease on Old Print Works signed; Toilets refurbished; Building redecorated inside and out; School Murals produced; Demolition of derelict building negotiated, actioned and provision of additional 16 parking spaces created.
		£500.00	Insurance arranged
		£2,141.94	Utility bills paid up until March 2014 and maintenance undertaken.
Regional Cycling Centre	£2,500	£1,250.00	National Cycle Route 1 installed.
Contingency	£1,000	£0	
TOTAL	£10,000	£10,189.76	

In the case of Halesworth Portas Pilot these changes of emphasis were discussed with WDC as Accountable Body and explained in the periodic returns; as such WDC accepts that the project complied with the terms of the funding. The Old Print Works project (derelict site and communal space strand) has become significant within the overall package. The use of the Old Print Works has generated income to the HBVP which can be used for future work to benefit the town. In principle this is overall a sensible and innovative way of using the grant funds that will ensure the sustainability of town centre improvement work after the pilot project is over, and in line with the Exit Strategy provided by HBVP. By using local suppliers who support the aims of project and may charge less than usual, the Town Team has effectively secured in-kind contributions from these supplier businesses.

As with most grant arrangements, the Portas funding was awarded to cover specified purposes within an organisation which has wider activities, income and expenditure. Income generated thereafter by the charity becomes the organisation's own funds to be applied in line with the charitable objects. WDC understands that items funded by the grant such as market stalls and any stocks of promotional materials, are now owned by HBVP to be used for the original purpose.

The payments made by HBVP have been sampled and analysed by chartered accountants Lovewell Blake when annual accounts were compiled. WDC has checked the evidence of payments and is satisfied that these are wholly consistent with the purposes of the project.

The respective roles of HBVP and the Town Team have not always been clear and have caused some confusion, however the arrangements put in place by HBVP to authorise payment of funds were adequate.

Waveney District Council is satisfied that the package for which funds were awarded was completed by 31st March 2014 and that all the funds have been used for these purposes alone. WDC's role as Accountable Body ended at this time. The term "Town Team" is no longer associated with this externally funded project and by implication may now be used more loosely.

WDC will continue to work in an open and inclusive way with all those individuals and groups in Halesworth who share its economic development and regeneration priorities.

Annexes

- A. Proposal to DCLG for £10,000, September 2012
- B. Service Level Agreement between Waveney District Council and Halesworth and Blyth Valley Partnership , November 2012
- C. Financial Statement of Halesworth and Blyth Valley Partnership, year to 30th April 2013
- D. Extract from Financial Statement of Halesworth and Blyth Valley Partnership, year to 30th April 2014
- E. Spreadsheet showing defrayal of grant funds, September 2014.
- F. Town Team Progress Report, March 2013
- G. Town Team Progress Report, September 2013
- H. Town Team Final Report to March 2014, September 2014.
- I. Memo from Halesworth and Blyth Valley Partnership "Action on project procedure for purchases/payments/grants/donations", November 2014.