



Department
for Transport

Consultation on the scope and administration of the inland waterway safety boat grant

September 2014

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Executive summary

Introduction

1. In this year's budget, the Government announced it would make £5 million in grant funding available over a five year period to charities operating inland waterway safety boats across the UK. The Department for Transport is setting up and administering the grant scheme. To ensure that we get the process right, we are seeking your views on the following:
 - who can apply for funding?
 - how can we ensure funding is awarded to those who can make best use of it?
 - should the grant be for capital items, operational costs or compensation for VAT/Excise Duty costs?
 - how can we design in recipient sustainability?
 - how we can ensure value for money, should we offer part/joint funding only?
 - what measurements should we use when evaluating applications?
 - should grant awards be accompanied by a commitment by the recipient?
 - how should the grant funding be distributed to the relevant bodies?
 - any other thoughts and comments you would like to provide.

How to respond

The consultation period began on 1 September and will run until 29 September. Please ensure that your response reaches us before the closing date. If you would like further copies of this consultation document, it can be found at [web address] or you can contact Tom Pullin on 020 7944 6230 if you need alternative formats (Braille, audio CD, etc.).

Please send consultation responses to:

Tom Pullin

Department for Transport, Great Minister House, 33 Horseferry Road, LONDON, SW1P 4DR

Phone number: 020 7944 6230

Email address: Maritime@dft.gsi.gov.uk

When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

Freedom of Information

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the Data Protection Act (DPA) and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

1. Who can apply for funding and how can we ensure funding is awarded to those who can make best use of it?

- 1.2** There are a number of operators of inland waterway safety boats and charitable lifeboat organisations across the UK. These organisations are of varying size, operational ability and constitutional set up – such as charity, limited charity and even commercial organisation. Privately owned companies operating such services do so for profit, and mariners and yacht clubs provide them for their members and guests. Often these organisations would, during times of national need, make their assets available. However, is it fair or proper that commercial organisations should be able to apply for grant funding in this instance, particularly as issues of unfair competition could delay all grant awards indefinitely? Therefore, should we exclude private organisations from the grant regime and focus all our funding on charities and voluntary organisations instead?

1.3 There are a number of volunteer lifeboat organisations that operate on inland waterways and coastally inshore. Their vessels are small enough to be used during flooding, on rivers and lakes, yet some may be able to undertake inshore activities too. Indeed, during a number of visits in preparation for this consultation, it was clear that the police, fire brigade and others make use of these charitable lifeboat organisations during emergencies inland. It is clearly not practicable to allow such dual operators to apply for items and resources that could only be used inland, and as a condition of grant could not be used inshore – this has the potential to put lives at risk. So we would invite your thoughts as to whether we should extend the applicability of this grant regime to cover those that operate inshore lifeboat facilities too.

1.4 We are also concerned to ensure the safety of those who operate these lifeboats and safety boats, and want to promote high skill standards and the use and deployment of modern equipment. HM Coastguard holds a list of declared assets around the UK for maritime search and rescue. The operators of these declared assets must be trained appropriately and are required to comply with the “Rescue Boat Code”. Does it therefore make sense to apply these and/or other pre-existing standards to applicants for grant?

2. Should the grant be for capital items, operational costs or compensation for VAT/Excise Duty Costs? How can we design in recipient sustainability?

- 2.1 Charitable organisations often operate inshore lifeboats and inland safety boat services, raising funding for items such as dry-suits and crash helmets through fund raising events and charitable donations. This is often a constant activity as all capital expenditure items have a limited lifespan and can be damaged when responding to an emergency. However, in terms of grant funding, once an item has been purchased the grant funds in this instance would be gone, there is no sustainability. Therefore we would invite your views as to whether we should fund capital items and the range of equipment we should consider.
- 2.2 In terms of resource grant funding, should we look to assist these organisations in operational costs too, for instance training – if a charity trains one of its members to be an instructor of a particular speciality with our grant monies, then savings can be made as outside training would no longer have to be paid for. Additionally, a charity or voluntary organisation that can train individuals at similar and sister organisations sets up a virtuous circle of sustainability and benefit seed funded through grant. Therefore we would invite your views on resource grant funding and the types of things we might consider as in and out of scope.
- 2.3 Taxation can be complicated and Value Added Tax is no exception. Some things are exempt, others attract a standard, reduced or zero rate of VAT and your organisation classification can alter what you are expected to pay and on

what. For instance, lifeboats used for rescue or assistance at sea do not pay VAT on their fuel, but a rescue boat that was only ever used inland would attract VAT on their fuel expenditure – albeit a very small proportion of overall operating costs. Rather than seek to pay for capital items or for resource, would it be better to use the grant money to offset the VAT that is paid by some search and rescue organisations? We would therefore ask, which specific activities or organisations (if any) should compensation for VAT/Excise duty costs be aimed at, and what are your thoughts on how much such a scheme might return?

- 2.4** We would also invite your thoughts as to whether the new grant regime should cover capital expenditure, resource expenditure and taxation, or just one or two – and why.

3. How we can ensure value for money, should we offer part/joint funding only? What measurements should we use when evaluating applications?

- 3.1 It is important to all of us that public expenditure is targeted where it provides best value for money, where we know that the tax payer will receive a return in services or goods they deserve. There are many organisations that provide safety boat services across the UK of varying size and operational ability, some have a long and esteemed history, others are more modern, but all provide a critical service.
- 3.2 We need to strike a balance between making grant funding widely available and targeting it to best effect. We want the application process to be transparent and inclusive. Therefore, we would invite you to consider what mechanisms we can put in place to provide reassurance to the public of the appropriate allocation of funds which does not unduly impede the applicant?
- 3.3 A good way of ensuring that grant money is spent on things which are critical to an organisation is through match funding, or using the grant as part funding for a specified use. However, this can penalise smaller organisations with fewer reserves or who have had fund raising difficulties of late. So we would invite your thoughts as to whether we should include a provision for joint/match funding in our grant application process, and if so, what form should it take – voluntary, compulsory, etc.?
- 3.4 We are keen to develop a set of published evaluation criteria for all grant applications to ensure an equitable and open distribution of grant funds. We remain open minded as to what these might be, but would welcome your thoughts on the metrics that might be used. From our informal consultation

process metrics such as geographical activity and emergency responses annually seem to favour larger operators and do not provide a fair and reasoned approach. However the following metrics have been suggested, and we would seek your views on how they might be applied, as well as suggestions on any other metrics you think might be sensible to use:

- how an organisation links in to local/national emergency response;
- geographical spread of resources;
- how an organisation fits in to other local community activities;
- the skills range a particular organisation deploys;
- improved response times generated by grant aid;
- long term business plans for capital items;
- quality of experience for volunteers where applicable;
- long term sustainability; and
- any other metrics you might think sensible.

3.5 Additionally, we think it sensible to weight the final criteria we use and so would invite your thoughts on the weighting we should use on the above criteria.

4. Should grant awards be accompanied by a commitment by the recipient?

4.1 It is important to protect public money in any grant scheme administered, while at the same time important not to hinder or inhibit those who apply for grant in their day to day activities. Therefore we must take a balanced and reasoned approach to these issues in this instance. What type of commitment, if any, do you think grant recipients should make as part of any grant application they make? During our informal consultation conversations the following suggestions were made:

- to remain on, or join the HM Coastguard declared asset list;
- to share/teach others in the community about water safety or own activities;
- to work with “blue light” responders when requested locally and nationally;
- to sign a service level agreement or MOU;
- to have a process to monitor availability; and
- to build a business continuity plan for assets refresh.

4.2 Do you think the above are sensible? Do you think such commitments should be time limited? Can you suggest any others?

5. How should the grant funding be distributed to the relevant bodies?

- 5.1** The size, operational ability and expenditure of operators of inland waterway safety boats can vary significantly. We want to ensure the grant scheme is as simple as possible to administer – both for the government and for the recipients. Are there any key suggestions or concerns over how the grant should be distributed? Should it be annual/quarterly etc.?

What will happen next

We intend to publish our response, together with a full invitation to apply for grant monies, containing all metrics, organisational and operational requirements shortly after the consultation closes on the www.gov.uk website. We envisage the application procedure to require a business case and the submission of your most recent set of accounts. Grant applications will then be considered by a panel, and result notifications sent out

If you have questions about this consultation please contact:

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Annex A: Full list of consultation questions

Question 1

who can apply for funding?

Question 2

how can we ensure funding is awarded to those who can make best use of it?

Question 3

should the grant be for capital items, operational costs or compensation for VAT/Excise Duty costs?

Question 4

how can we design in recipient sustainability?

Question 5

how we can ensure value for money, should we offer part/joint funding only?

Question 6

what measurements should we use when evaluating applications?

Question 7

should grant awards be accompanied by a commitment by the recipient?

Question 8

how should the grant funding be distributed to the relevant bodies?

Question 9

any other thoughts and comments you would like to provide.

Annex B: Consultation principles

The consultation is being conducted in line with the Government's key consultation principles which are listed below. Further information is available at <https://www.gov.uk/government/publications/consultation-principles-guidance>

If you have any comments about the consultation process please contact:

Consultation Co-ordinator
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