BARNET
LONDON BOROUGH

	Policy and Resources Committee **14 October 2014**
Title	**Area Committee Budget allocation proposals**
Report of	Assistant Director, Commissioning Strategy
Wards	All
Status	Public
Enclosures	*1.1 Community Participation Strategy: Area Committee Budget Arrangements and Wider Community Funding (Community Leadership Committee, 11 September 2014)*
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Summary

On 10 June 2014 Policy and Resources Committee agreed that £100,000 per year over the next four years should be allocated to each of the Council's three Area Committees, subject to agreement of detailed arrangements for the governance, accountability and prioritisation of these budgets by the Community Leadership Committee.

On 11 September 2014 the Community Leadership Committee approved proposals for this scheme, to be returned to Policy and Resources Committee for final agreement.

This paper asks Policy and Resources to note the proposals approved by the Community Leadership Committee and agree that the allocations process be taken forward for 2014-15.

Recommendations
1. That the Committee agree the proposed process for allocating the Area Committee budgets.

1.   WHY THIS REPORT IS NEEDED

1.1   On 11 September, the Community Leadership Committee approved proposals for a process to allocate Area Committee budgets, designed to:
- Be open, transparent, simple and non-bureaucratic; and
- Give Area Committees maximum flexibility and discretion to respond to local need, and assign Members a leading role.

1.2   This paper sets out the proposals approved by the Community Leadership Committee, including comments made at the meeting, and asks the Policy and Resources Committee to agree these.

Area Committee Budgets: Allocations process

1.3   It is proposed that the process for 2014-15 is used as a pilot, and reviewed at the end of the financial year to determine whether any improvements could be made.

Proposals for remit of the scheme

1.4   The purpose of grants – which are designed to respond to local need in each constituency – could range from environmental improvements to community projects.

1.5   As a default, funding should be for one-off items and Committees will need to satisfy themselves that any projects funded do not require on-going Council support, including a commitment to further expenditure on maintenance.

1.6   As a broad point of principle, where a project is borough-wide the applicant should be signposted towards the Corporate Grants programme in the first instance, while if it is focused in a single constituency the project should be considered by Area Committees. This is intended to reduce the likelihood of crossover or duplication of funds.

Making applications: The role of Councillors

1.7   The scheme will be advertised and application forms and guidance made available at the same point as other grant funding streams, using the Council's website and other communications channels.

1.8   For the Area Committee budgets, applicants will be encouraged to submit their applications via a Councillor. If the Councillor sponsoring the project is not one of their Ward Members, applicants will also be encouraged to contact their local Ward Members to discuss the proposals before submitting an application.

1.9   Applications can be put forward by organisations or individuals, who must submit forms by a specified closing date (approximately a month before Committees meet to allow time to carry out due diligence and clear papers for publication). The Councillor supporting the application will be asked to give comments and to present it as an item at the relevant Area Committee meeting for decision. In the event of that Councillor being unable to attend, the applicant will be invited to present the item or to approach a local Ward Member to do so on their behalf.

1.10   Ward Members will also play an essential role in promoting the scheme locally.

Audit trail and due diligence

1.11   Whilst the scheme is intended to be as light-touch as possible, a degree of accountability is still required to ensure that public funds are not put to inappropriate use.

1.12   Officers will maintain an audit log and carry out due diligence, which will avoid double-funding, identify any future expenditure which would be incurred by the Council as a result of the proposal, and confirm compliance with the Public Sector Equality Duty.

1.13   Applications and comments are then brought to the Area Committee for consideration and approval of the project through the normal Committee paper clearance and publication processes.

Release of funds

1.14   In situations where full funding is agreed, this is released following decision by Committee.

1.15   Applications which require additional match funding (see below) will receive a letter from the Committee Chair asking the organisation/individual to advise when the additional funds required for the project to proceed have been secured.

1.16   Funds will be released as soon as possible after decision. It is recommended that a time limit is placed on the spending of grants; this should happen no longer than three months after funding is received.

1.17   Once grants are approved and payments made, the recipient is sent confirmation which requests copy invoices to the value of the grant or above to complete the audit trail.

1.18   Detailed guidance will be developed to inform Area Committees, Members, and potential bidders of the process.

Size of awards

1.19   It is recommended that an upper and lower limit is placed on awards to ensure Committees are not asked to spend time considering very small sums or, at the upper limit, to avoid triggering procurement rules.

1.20   It is recommended that the lower limit be £200, though Area Committees should be given discretion to determine whether a lower amount should be awarded.

1.21   It is recommended that the upper limit be £9,999, to avoid triggering more complex procurement rules.

1.22   Members bringing projects forward may support the total project cost or propose a smaller grant offer where the applicant would then need to seek match funding to allow the project to go ahead. This can be beneficial in creating buy-in from the individual or organisation. Match funding must not come from another Council funding stream. The Council must show that it has paid due regard to the Public Sector Equality Duty when making recommendations or decisions as to the size of awards.

1.23   Members may also decide to give collective support to a larger application providing it is of benefit to the wider community across a number of Wards. Again, Area Committees should be given discretion to decide when this should be the case.

Priorities for awards

1.24   It is not proposed that many restrictions are placed on what grants can be used for. As a starting point, each application must demonstrate that the proposal supports one or more of the Council's priority outcomes, as set out in the Corporate Plan. Currently, these are:
- To maintain a well-designed, attractive and accessible place, with sustainable infrastructure across the borough.
- To maintain the right environment for a strong and diverse local economy.
- To create better life chances for children and young people across the borough.
- To sustain a strong partnership with the local NHS, so that families and individuals can maintain and improve their physical and mental health.
- To promote a healthy, active, independent and informed over 55 population in the borough to encourage and support our residents to age well.
- To promote family and community well-being and encourage engaged, cohesive and safe communities.

1.25   Area Committees have the flexibility to set their own additional priorities which reflect local need and circumstance, should they wish to do so.

Measuring impact

1.26   Successful applicants will be asked to submit a brief written update on the result of their project following completion. A short annual report based on

these updates, on the audit log, and on feedback from Members will be submitted to the Committee each year.

1.27 Officers will review this information, along with intelligence from other grant funding streams, to identify trends in community need and any other lessons to be learned from the projects funded.

Timeline for allocations

1.28 It is proposed that funds are usually allocated at two meetings a year. For the 2014-15 financial year, because allocations cannot begin before the final process is formally agreed and to avoid clashes with the purdah period in March 2015, it is proposed that allocations take place in a single round.

1.29 October's Area Committee meetings would be used for publicity and to encourage bids. The application process would close on 14 December 2014, with allocations taking place at the Area Committee meetings on 15 January 2015.

1.30 In subsequent years, the two funding rounds would take place in June and January, with deadlines for applications one month before. This would leave the October and March meetings to discuss other business, encourage bids, and review the progress of grants.

1.31 This timeline is set out in the table below:

	2014-15
22 October	Area Committee meetings and Residents' Forums used to publicise scheme to communities.
14 December	Applications close.
15 January	Area Committees meet to decide allocations.
April 2015	Review of first year of scheme.
	2015-16
June 2015	Area Committees meet to decide first round of allocations.
January 2016	Area Committees meet to decide second round of allocations.

Unallocated funds

1.32 If any funds remain unallocated at the close of the financial year, they can also be rolled over for spending in the next, giving Committees some additional flexibility around how they are deployed.

1.33 These can either be kept in reserve for use if demand is high or added to the base budget of £100,000 in the next financial year. The former approach is recommended as this allows underspend to be used in response to additional need as this arises, rather than spent to meet a deadline.

1.34 **The Committee is asked to agree these proposals for the allocation of Area Committee budgets.**

2. **REASONS FOR RECOMMENDATIONS**

2.1 The recommended process for allocating Area Committee budgets has been approved by the Council's Community Leadership Committee and is similar to one used successfully by Staffordshire County Council. It is designed to improve the power of local Councillors, and the ability of the Council, to respond to local need in a flexible way, while realising the benefits of coordinating the Council's grants programmes set out above.

3. **ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

3.1 **Use of an Advisory Panel for Area Committee Budgets:** The original proposals for allocating the Area Committee budgets included use of an Advisory Panel, incorporating local residents and community organisations as well as Ward Members. However, this process would require greater levels of resource and would constrain the Committees to making decisions once a year. It was felt that a less resource-intensive and more flexible process would be more appropriate for these funding streams.

3.2 **Alternative timings for the allocation rounds:** The proposals taken to the Community Leadership Committee in September proposed two allocation rounds in 2014-15 – in January and March respectively – and for allocations in subsequent years to be made at the October and March committee meetings. These proposals have been adjusted to avoid potential clashes with the purdah period.

4. **POST DECISION IMPLEMENTATION**

4.1 If the Policy and Resources Committee approves these proposals, formal launch of the allocations scheme will take place on 16 October 2014. An application form and guidance for bidders has been developed, based on a simplified version of the Corporate Grants Programme application.

4.2 The scheme will be publicised through the Council's communications channels and voluntary and community sector networks. The Area Committee meetings and Residents' Forums on 22 October 2014 will be used to publicise the scheme further and encourage bids.

5. **IMPLICATIONS OF DECISION**

5.1 **Corporate Priorities and Performance**

5.1.1 This decision contributes to the Corporate Plan's objective to promote family and community wellbeing and support engaged, cohesive and safe communities, by helping communities access the support they need to

become and remain independent and resilient.

5.1.2 The decision will also improve local people's life opportunities by helping local community groups access resources. This will empower them to take part in a broader range of activities, and increase the choices available to them for how they access services, contributing to the Health and Wellbeing Strategy's priority to increase wellbeing in the community.

5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 The budget allocated to each Area Sub-Committee is £100,000 per annum and is funded from Council reserves for four years.

5.2.2 Officer support for the Area Committee budget allocation will be required but will be managed within existing workloads.

5.2.3 Initially, support will come from the Governance officer allocated to each Area Committee with support from the Policy Unit and comment from the Legal and Finance teams on the possible implications of proposals. Some transactional finance support will also be required to provide audit and due diligence and arrange for funds to be released.

5.2.4 However, support arrangements will need to be kept under review during this first year of the scheme and we cannot rule out the need for additional administrative support in the future around the time when applications are being processed. If this turns out to be the case, additional administrative resources may need to be made available at these times.

5.2.5 The upper and lower thresholds for awards have been proposed to ensure that Committee time is used effectively, avoiding time being spent administering small sums of money, and so that more complex procurement rules are not required.

5.3 **Legal and Constitutional References**

5.3.1 Council Constitution Part 15, Responsibility for Functions, Annex A states the terms of reference of the Policy and Resources Committee, including 'to allocate a budget, as appropriate, for Area Committees, and agree a framework for how that money may be spent'.

5.3.2 The council has power to make the grant awards under section 1 of the Localism Act 2011.

5.4 **Risk Management**

5.4.1 If the Council did not carry out due diligence on applications for any funding stream, there would be a risk that resources would not be used effectively or that inappropriate projects could be funded. The process set out for allocation of these budgets is designed to mitigate that risk.

5.5 **Equalities and Diversity**

5.5.1 The due diligence carried out for the Area Committee budget allocations and the proposed regular review of the process will allow the Council to comply with its public sector equality duty under s.149 of the Equality Act 2010; specifically to:
- Check that project proposals are inclusive and consider any equality implications they may raise
- Identify any equality considerations relevant to the broader allocation of resources more effectively than it can at present
- Gain a more comprehensive understanding of the needs of different groups in the community through the additional insight gained under the proposals.

5.6 **Consultation and Engagement**

5.6.1 The proposals to delegate Area Committee budgets were a response to the survey findings of the public consultation on the changes to the Governance system. This consultation ran from 23 August 2013 to 22 September 2013. The consultation received a total of 575 responses. 504 came from the Citizens' Panel and 71 from residents.

5.6.2 One of the key findings was that, under the previous Sub-Committee structure, residents did not feel involved and able to influence local decision-making or policy development. Common issues raised were:
- A lack of understanding as to who was responsible for delivering some of their local services
- Confusion about how the Council made its decisions and a perception that council decision-making was 'secretive and bureaucratic'
- A perception that council decisions and views of elected representatives did not reflect residents own priorities or those of their local area
- Efforts at consultation were considered to be a way to rationalise 'predetermined decisions'.

5.6.3 It was also felt that the former Area Environment Sub-Committees had limited decision-making powers, with restricted terms of reference and no budget devolved to them.

5.6.4 The Area Committee budgets were devolved, and the allocations process set out in this paper developed, in response to the findings of that consultation.

6. **BACKGROUND PAPERS**

6.1 Area Environment Sub-Committees - Draft Funding Arrangements (Policy & Resources Committee, 10 June 2014).

6.2 Area Sub-Committees - Budget Allocation Draft Framework (Community Leadership Committee, 25 June 2014).

6.3 Developing a Community Participation Strategy for Barnet (Community Leadership Committee, 25 June 2014).

6.4   Community Participation Strategy: Area Committee Budget Arrangements and Wider Community Funding (Community Leadership Committee, 11 September 2014).