

	<p align="center">Community Leadership Committee</p> <p align="center">11 September 2014</p>
<p align="center">Title</p>	<p>Community Participation Strategy: Area Committee Budget arrangements and wider community funding</p>
<p align="center">Report of</p>	<p>Assistant Director, Commissioning Strategy</p>
<p align="center">Wards</p>	<p>All</p>
<p align="center">Status</p>	<p>Public</p>
<p align="center">Enclosures</p>	<p>None</p>
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Summary

The Community Participation Strategy, the remit for which was approved by the Community Leadership Committee on 25 June, includes a piece of work to review the resources the Council currently uses to support the community – including funding, use of assets and premises, and officer time – and to bring these together into a coordinated package that better enables community participation. This includes the budgets of £100,000 per year allocated to each of the Council's three Area Committees over the next four years.

The Committee requested that a process be designed to administer the allocation of Area Committee budgets. This paper sets out proposals for that process and asks Members to agree them, to allow allocations to begin this year.

The paper also notes wider work which is being taken forward by officers to review other funding streams used to support the community. This will form the basis of the wider resource review outlined above. Proposals will be brought back to the Committee for approval in March 2015.

Recommendations

- 1. That the Committee approve the proposed process for allocating the Area Committee budgets and refer this to Policy and Resources Committee for final agreement on 14 October.**
- 2. That the Committee note the work which officers are taking forward to ensure that other funding used to support the community is effective, with proposals to be brought back to the Committee for consideration in March 2015.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The scope of the Community Participation Strategy, approved by the Community Leadership Committee on 25 June, includes a review of the resources the Council uses to support community activity. These resources include use of the Council's physical assets, officer support, and financial support. This financial support includes the budgets which have been devolved to the three Area Committees – £100,000 a year for each Committee over the next four years.
- 1.2 On 25 June, the Community Leadership Committee requested that a process be designed to allocate Area Committee budgets which:
 - Is simple and non-bureaucratic;
 - Assigns Ward Members a leading role;
 - Is open and transparent; and
 - Gives Area Committees maximum flexibility and discretion to respond to local need.
- 1.3 This paper sets out proposals for the process and asks Members to agree these.
- 1.4 The paper also requests that Members note a wider review of the Council's community funding being taken forward by officers, with proposals to be brought back to Committee in March.

Area Committee Budgets: Allocations process

- 1.5 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

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

- 1.7 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.
- 1.8 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 Ward Members

- 1.9 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.
- 1.10 For the Area Committee budgets, all applications for funding will be submitted via Ward Members. 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).
- 1.11 Ward Members will discuss the idea with the organisation or individual involved, comment on each application, and present it as an item at the relevant Area Committee meeting for decision. Applicants will need to contact Ward Members to discuss proposals before submitting an application.
- 1.12 Ward Members will also play an essential role in promoting the scheme locally. They will help to assess the merits of each application and recommend the level of support it should be given for consideration by the Committee.

Audit trail and due diligence

- 1.13 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.
- 1.14 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

- 1.15 In situations where full funding is agreed, this is released following decision by Committee.
- 1.16 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.

- 1.17 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. Reminders of the deadline date will be sent out after two months to any organisations or individuals who have not yet claimed their grants.
- 1.18 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.
- 1.19 Detailed guidance will be developed to inform Members and potential bidders of the process.

Size of awards

- 1.20 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.
- 1.21 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.
- 1.22 It is recommended that the upper limit be £9,999 to avoid triggering more complex procurement rules.
- 1.23 Ward 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.
- 1.24 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.
- 1.25 Again, 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.

Priorities for awards

- 1.26 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.

1.27 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

1.28 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 Ward Members will be submitted to the Committee each year.

1.29 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

1.30 It is proposed that two meetings a year are used to allocate funds. For the 2014-15 financial year, allocations cannot begin until the final process is formally agreed at Policy and Resources Committee on October 14.

1.31 In 2014-15, to allow time to publicise the scheme, it is proposed that the two allocation rounds will take place in January and March 2015, with October's Area Committee meetings used for publicity and to encourage bids.

1.32 The first round would take place on 15 January 2015, with a closing date for applications of 14 December 2014.

1.33 The second round would take place on 25 March 2015, with a closing date of 22 February 2015. Funds allocated at this meeting would be awarded in April 2015 to be spent in the financial year 2015-16.

1.34 The two funding rounds would take place in October and March, with deadlines for applications one month before, and funds allocated at the March meeting disbursed and spent during the following financial year in each case. This would leave the January meetings to discuss other business and encourage bids.

1.35 This timeline is set out in the table below:

	2014-15
14 October	Policy and Resources Committee considers process for Area Committee budget allocations.
22 October	Area Committee meetings and Residents' Forums used to publicise scheme to communities.
14 December	Applications close for first round of allocations.
15 January	Area Committees meet to decide first round of allocations.
22 February	Applications close for second round of allocations.
25 March	Area Committees meet to decide second round of allocations for award in April 2015.
April 2015	Award of grants from second round of allocations. Review of first year of scheme.
	2015-16
October 2015	Area Committees meet to decide first round of allocations.
March 2016	Area Committees meet to decide second round of allocations for award in April 2016.

Unallocated funds

- 1.36 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.
- 1.37 These can either be kept in reserve for use if demand is high or added to the base budget of £100,000. 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.
- 1.38 **The Committee is asked to agree these proposals for the allocation of Area Committee budgets.**

Current community funding: the wider picture

- 1.39 The Council currently funds the community through the following routes and funding streams, which total approximately £700,000:
- The Corporate Grants Programme, for which income varies year on year (£107,000 in 2013-14 and £75,000 in 2014-15);
 - The Big Society Innovation Bank Micro Fund, which is a one-off funding pot (£25,000 is currently available);
 - The Area Committee budgets, arrangements for which are detailed above (£100,000 per annum from 2014-15 to 2017-18);
 - Specific programmes run by Delivery Units, including:
 - grants to support positive activities for children and young people (£90,000, managed within Family Services);
 - the Supporting Independence Fund, which supports projects which help older or disabled adults to live independently (£162,000 in 2014-15, managed within Adults & Communities);

- grants to support increased physical activity for older adults (£40,000, managed within Public Health);
- 1.40 Various other funding streams, which are not Council grant programmes, are relevant here because their use could complement, and be complemented by, the aims the Council wishes to promote through the use of grants. These include:
- The CSG Community Development Fund, which is a one-off funding pot (£500,000 over 10 years), and
 - Services which Delivery Units commission from the voluntary and community sector.

Reviewing these funding streams and other relevant resources

- 1.41 Officers are taking forward a piece of work to review and improve the use of these funding streams.
- 1.42 This will provide guidance for residents, voluntary and community groups, and clarity around the range of different funding programmes, to make it easier for them to access the support they need.
- 1.43 Better coordination will mitigate the risk that funding could be duplicated or that funds from different streams could be disproportionately allocated to a particular priority.
- 1.44 This piece of work also aims to give the Council more opportunities to use intelligence drawn from these processes. Grant applications can be a valuable indicator of both local activity and local need, including whether or not the application process is known to, or accessible for, all sections of the community. Projects funded by grants are often a way of testing out innovative approaches which could inform commissioning decisions elsewhere in the Council. This intelligence will let the Council improve services and take a more strategic approach to its resources.
- 1.45 This piece of work underpins the wider review of the resources the Council uses to support communities.
- 1.46 **Members are asked to note that this review is taking place and that proposals will be brought back to the Committee for approval in March 2015.**

2. REASONS FOR RECOMMENDATIONS

- 2.1 The recommended process for allocating Area Committee budgets 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 **Not coordinating community funding:** This would leave the Council open to the risks set out above and potentially fail to realise opportunities to improve the value gained from these resources.
- 3.2 **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.

4. POST DECISION IMPLEMENTATION

- 4.1 For the Area Committee budget allocations, if the Community Leadership Committee approves these proposals they will be referred to the Policy and Resources Committee on 14 October 2014 for formal agreement.
- 4.2 From 11 September 2014, Ward Members would be able to start alerting residents to the scheme and advising them of the timetable for bids, with the caveat that the scheme would still be subject to formal agreement on October 14.
- 4.3 If the Policy and Resources Committee agreed the scheme as proposed, formal launch would take place on 16 October 2014. An application form and guidance for bidders, based on a simplified version of the Corporate Grants Programme application, will be developed in time for the formal launch of the scheme. This would give just under two months for bids to be developed in time for the first round of allocations.
- 4.4 The Area Committee meetings and Residents' Forums on 22 October 2014 would then be used to publicise the scheme further and encourage bids.
- 4.5 Proposals from the wider review of community resources and support will be brought back to the Committee for approval in March 2015.

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 kept to a minimum.
- 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. If this turns out to be the case, additional administrative resources may need to be made available.
- 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.
- 5.2.6 The review of wider community funding is designed to ensure that the Council gains better value for money from the resources it puts into the community.

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 Community Leadership Committee, including 'to approve any non-statutory plan or strategy within the remit of the Committee that is not reserved to full Council or Policy & Resources'.
- 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 the Area Committee budgets is designed to mitigate that risk.
- 5.4.2 As set out in 1.42-1.46 above, there is a risk that without better coordination of the various community funding streams, communities would find it difficult to access the support available to them.

- 5.4.3 The Council would risk not making best use of its resources, or of opportunities to improve service delivery through better use of information. , The proposals set out in this paper are designed to mitigate those risks.

5.5 Equalities and Diversity

- 5.5.1 The due diligence process for the Area Committee budget allocations and the proposed regular reviews of both these and the wider community funding streams 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 2014 to 22 September 2014. 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 (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 previous 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.
- 5.6.5 The Community Participation Strategy has been developed in part following consultation undertaken to support the PSR, where residents identified the need for responsibility to be shared more evenly between the Council and the community and suggested some resources which would support this.

5.6.6 The Strategy's resource review, which includes this review of community funding, was developed in part as a response to those findings.

5.6.7 Further consultation and engagement will be carried out as part of the communications plan for the Strategy, which will be brought back to Members for agreement in November 2014.

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).