Community Leadership Committee

24 June 2015

Title	**Review of Area Committees – operations and delegated budgets**
Report of	Director of Strategy
Wards	All
Status	Public
Enclosures	Appendix A – Community Infrastructure Levy (CIL) and its uses
Officer Contact Details	Elissa Rospigliosi, Community Engagement, Participation & Strategy Lead elissa.rospigliosi@barnet.gov.uk 020 8359 7158

Summary

In early 2015, officers carried out an operational review of the Council's three Area Committees and linked Residents' Forums, in consultation with the Chairs and Vice-Chairs of the Area Committees and Residents' Forums and the Chair, Vice-Chair and Opposition Spokesman of the Community Leadership Committee. The review also considered improvements to the 2014/15 process for allocating the budgets delegated to the Area Committees.

This report presents the findings of that review and makes recommendations for how the operation of the Area Committees and Forums could be improved, including the allocation of their budgets. The recommendations fall into three areas, set out below:

- **Operations & logistics:** Making Residents' Forums and Area Committee meetings operate effectively, so that issues can be resolved and reported on, and so that there are clear referral routes, where needed, between these and the Council's Theme Committees.
- **Relationship with Theme Committees:** Making the wider relationship between Area Committees and Theme Committees clearer, particularly the relationship with Environment Committee, so that they work together to balance locally important issues against the priorities of the Borough as a whole.
- **Budget allocations:** Improving the way that Area Committee budgets are allocated, so

that Area Committees are able to respond effectively to issues in their local area and have the right resources available to support this.

The paper also sets out proposals to supplement the existing £100,000 Area Committee annual budgets with income from the Community Infrastructure Levy (CIL), to support the Committees in delivering improvements to their local area. Because this is a resource issue, these proposals will be presented to Policy & Resources Committee for decision on July 9 2015.

The paper asks the Community Leadership Committee to note the findings of the review and agree a series of recommendations for the future operation of the Area Committee and Residents' Forum meetings and, in particular, the process for allocating Area Committee budgets in 2015/16 and beyond.

Recommendations

That the Committee:

1. **Endorses the proposed measures to improve the operation of the Residents' Forums and Area Committees (paragraphs 1.11-1.14)**

2. **Endorses the more formal and structured relationship between Area Committees and Theme Committees, particularly the Environment Committee (paragraphs 1.15-1.26).**

3. **Approves the proposed framework for allocating the Area Committee budgets from 2015/16 onwards (paragraphs 1.34-1.53).**

4. **Approves the proposed approach to considering projects and initiatives for Area Committee funding in 2015/16 and for 2016/17 onwards (paragraphs 1.37-40, 1.49)**

5. **Supports the recommendation to Policy & Resources Committee on July 9 to allocate 15% of Community Infrastructure Levy (CIL) income for their area to each Area Committee, capped at a total of £150,000 per Committee and aggregated in the first year of allocation from income received in 2013/14 and 2014/15; to be returned to the Council's Capital Reserve for application towards borough-wide infrastructure priorities if not allocated by an Area Committee within two years, or spent within five years (paragraphs 1.41-1.43 and 5.2.4-5.2.11)**

6. **Supports the recommendation to each Area Committee on July 2 to allocate £17,000 of its available budget through the Corporate Grants programme, to ensure that a suitable level of grant funding remains available to resident groups who wish to bid for it (paragraphs 1.50-1.52 and 5.2.11-5.2.13)**

1. **WHY THIS REPORT IS NEEDED**

   Background

1.1 The Council's three Area Committees were created in June 2014 when the Council moved to its new Committee system of governance. They developed out of the Council's three Area Environment Sub-Committees, which were in place under the executive system of governance.

1.2 The Area Committees' Terms of Reference include:

   • Considering issues raised at the linked Residents' Forum meetings and determining how these matters are to be taken forward
   • Discharging functions delegated by Theme Committees that the Theme Committees agree are more properly discharged at a local level. These may include, but are not limited to, place-focused services such as environmental improvements; local highways and safety schemes; and town centre management
   • Dealing with small-scale public works
   • Administering any local budget delegated by the Policy & Resources Committee.

1.3 Each of the three areas also has a Residents' Forum which is linked to the Committee and meets directly before it. Residents can raise questions and issues at the Forums and these can be referred on to the Committee if not resolved.

1.4 A large part of the Committees' agendas are made up of Member items, Member queries raised through other routes, and issues from Residents' Forums. The agendas are dominated by environmental issues, reflecting the Committees' background (and the fact that these tend to be the issues which are most visible to the public) – though the Committees' remit is not restricted to environmental issues.

1.5 Each Committee has a budget of £100,000 per year for the four years 2014/15 to 2017/18 to be spent in their local area, delegated to them by the Policy & Resources Committee in June 2014. In September 2014, the Community Leadership Committee agreed a procedure for administering the budgets for 2014/15 through an open public grants process. More information about this process is presented in paragraphs 1.27-1.32 below.

1.6 For the first year, the agreed process was adopted as a pilot scheme, and the Committee instructed officers to review it at the end of the first year of operation and put forward recommendations to amend and improve the process. This has been incorporated into a wider review of how the Area Committees and Residents' Forums have been operating in 2014/15.

Reviewing the operation of Area Committees and Residents' Forums

1.7   In their first year, Members and residents have raised some issues about the way the Area Committees and Residents' Forums have been operating. These relate to

- how the meetings are managed
- how issues raised at the Forums and Committees are resolved
- how links are made to other Committees, particularly the Environment Committee
- how the delegated budgets are allocated.

1.8   As a result, an overarching review of the Area Committees and Residents' Forums – incorporating the promised review of Area Committee budget allocations – was carried out in the first part of 2015, in consultation with the Area Committee Chairs and Vice-Chairs and the Chairs of the Residents' Forums. The Chair and Opposition Spokesman of the Community Leadership Committee were also consulted and asked to seek feedback from other Members.

1.9   The remainder of this report sets out the recommendations from the review and proposals to improve the future operation of the Area Committees and Residents' Forums, and asks the Community Leadership Committee to endorse and approve these proposals.

1.10   The recommendations from the review fall into three sections:

- **Section 1 – Operations & logistics: Making Residents' Forums and Area Committee meetings operate effectively**, so that issues can be resolved and reported on, and so that there are clear referral routes, where needed, between these and the Council's Theme Committees.
- **Section 2 – Relationship with Theme Committees: Making the wider relationship between Area Committees and Theme Committees clearer, particularly the relationship with Environment Committee**, so that they work together to balance locally important issues against the priorities of the Borough as a whole.
- **Section 3 – Budget allocations: Revising and improving the way that Area Committee budgets are allocated**, so that Area Committees are able to respond effectively to issues in their local area and have the right resources available to support this – including, if agreed by Policy & Resources Committee, additional funding drawn from Community Infrastructure Levy (CIL) income. (Because they relate to a resource issue, these latter proposals will be taken to Policy & Resources Committee, on 9 July 2015.)

Section 1 – Operations & logistics: Making Residents' Forums and Area Committee meetings operate effectively

1.11 Residents and Members have raised concerns that residents are not receiving satisfactory answers to their questions at Residents' Forums, issues raised at the Forums are not being resolved in a timely manner, and progress on them is not being effectively tracked. The review has identified a number of measures to resolve these concerns. The proposals for improvement are:

1.12 **Changes to the administration of Residents' Forums** to make them run more effectively. To do this, the Council will:

- set a deadline of five working days before the meeting for residents to submit questions to the Forums, to give more time for issues to be investigated and fuller answers given (the previous deadline was two working days)
- make sure Forum Chairs are well briefed, giving them the information they need to answer residents' questions at the meetings
- give Forum Chairs the authority to decide at the Forum whether an issue can be considered resolved at the meeting and 'closed down', or to request a further response to it within 20 working days if they consider that to be more appropriate
- make improvements in response to other logistical issues, such as making sure the venues for each meeting are suitable and accessible and being clearer about the timing of the Committee meetings so that attendees know when they can expect them to start.

1.13 Senior officer attendance – we will **make sure senior officers are in attendance at the Forums and Committees**. To do this, the Council will:

- ensure that there is always a senior officer present at each Committee and Forum. As a rule, the Chief Operating Officer will attend Chipping Barnet meetings, the Strategic Director for Commissioning will attend Finchley & Golders Green meetings, and the Director of Strategy and/or Commercial and Customer Services Director will attend Hendon meetings.
- make sure relevant Delivery Units are also represented at senior level (especially Re, because of their responsibility for many of the environmental issues), and that attendees are well briefed and provide Members and residents with onscreen presentations or paper copies of any information referred to during their items.

1.14 Recording issues and actions - we will **record issues raised and the actions taken to resolve them, and report progress against these**. To do this, the Council will:

- mandate Governance officers to formally minute Residents' Forums, record Chairs' decisions as part of a written record of the meeting, and name the officer responsible for providing a follow-up response

- improve the way we log issues on our case management system to make it easier to report back to the Committee or Forum at which they were raised (and will also do this for issues raised through Ward Tours)
- track progress against issues which have been referred elsewhere because they cannot be resolved by the Forum or Area Committee (more detailed proposals about referring issues are set out in paragraphs 1.20 to 1.25 below)
- recommend, subject to agreement from Constitution, Ethics and Probity Committee and Full Council, that petitions of 25-2000 signatures – currently reported at Residents' Forums – are instead reported to Area Committees where they fall within the relevant Terms of Reference. This will enable Members to debate the issue and resolve it where possible.

Summary of proposals and recommendations:

The review proposes a number of measures to improve the operation of Area Committees and Residents Forums, including:

- **Changing the administration of Residents' Forums to make them run more effectively**
- **Making sure senior officers are in attendance at the Forums and Committees**
- **Recording issues raised and the actions taken to resolve them, and report progress against these**

This report recommends that the Community Leadership Committee agrees the proposed measures to improve the operation of the Residents' Forums and Area Committees.

Section 2 – Relationship with Theme Committees: Making the wider relationship between Area Committees and Theme Committees clearer

1.15 There has been some confusion about the extent of Area Committees' decision-making powers, and the relative roles and responsibilities of Area Committees and Theme Committees – in particular, their relationship with the Environment Committee since they lost their Environment Sub-Committee status following the introduction of the Committee system of governance.

1.16 Under the executive system of governance, the then Area Environment Sub-Committees had some executive powers delegated to them in relation to local highways and other environmental issues. If an issue was referred to a Sub-Committee and it was decided that action should be taken to resolve it, the Chair could meet the relevant Cabinet Member who, using his or her delegated powers, could take a decision and give authority for actions to be carried out in response. Most significantly, the Area Environment Sub-

Committees approved the highways planned works maintenance programme for each parliamentary constituency area.

1.17   Under the Committee system, these arrangements are no longer in place. Environment Committee approves the highways planned works maintenance programme at a borough-wide level each year.   The Committee system avoids delegation of powers to Committee Chairs and there is therefore no equivalent of the executive power which let the Sub-Committees put decisions into practice.

1.18   Area Committees have therefore, in effect, lost the power to implement their decisions, except in cases where they give the final approval to detailed designs of local traffic management or road safety schemes for which resources have already been allocated (because they were agreed by the relevant Cabinet Member under the executive system).

1.19   However, issues have continued to be presented to Area Committees for decision during 2014/15. The Committees have made resolutions in response to these issues and, in the absence of a clear referral route or resources allocated to them, the resolutions have not been implemented. This has led to a 'backlog' of outstanding actions – predominantly environmental issues – which have been agreed by Members but which have not been carried out, causing frustration.

1.20   There is therefore a need to make sure that Area Committees have the power to resolve issues, and this is dealt with in more detail in the section on resources below (from paragraph 1.27 of this report onwards). However, we also need to make sure that the routes used by Forums and Area Committees to refer issues which they cannot resolve on to a Committee which can action them are clear, and that progress on referred issues is reported back to let Members and residents see that action has been taken.

1.21   Area Committees also have an important role in giving local input on borough-wide projects – particularly environmental strategies, plans and scheme designs which will have a local impact – and in feeding this input back to the relevant Theme Committee.

1.22   The review makes a number of proposals for how these relationships should work in practice, and these are set out in paragraphs 1.23-1.25 below.

1.23   **That there should be a consultative element to the relationship between Area Committees and Environment Committee (and other Theme Committees)** –

- Strategies, schemes and projects coming to Theme Committees which need some more local input should be passed down to Area Committees for comment.

- Area Committees should feed the information they gain from discussion at their meetings and at Residents' Forums back up to the relevant Theme Committee.
- Area Committees should receive updates on the projects, schemes and strategies they have commented on, as well as feedback about how their comments and information have been taken into account.

1.24 **Area Committees should also be able to refer issues to Theme Committees for resolution if they cannot be resolved by an Area Committee or Residents' Forum.**

- It will be important to make sure this is coordinated with the timetable by which Theme Committees make decisions – for example, where a Committee is setting a work programme such as the highways planned works maintenance programme, which agrees priorities and activities for the entire year, any referrals from Area Committees which would be implemented through such a programme will need to be made before it is agreed.
- For referrals into the Council's own highways programme, Area Committees will need to feed in local issues in their first or second meetings of the year (June/July or October) in order for them to be considered and built into the borough-wide plan.

1.25 **These referrals will also need to be coordinated with any relevant external funding cycles**.

- For example, large-scale highways infrastructure works are usually funded through the Transport for London Local Implementation Plan (LIP) programme, which is agreed by Environment Committee.
- LIP funding applications are submitted in September each year, so if Area Committees want to refer such an item up to be implemented in the following financial year, they will need to refer it to Environment Committee at or before the first Area Committee meeting of the year (in June or July).
- Again, Area Committees should be consulted on the detailed design of any such schemes as these come forward, and should receive progress reports as these are implemented.

1.26 A table setting out an overall timeline for actions which would be added to the Area Committee work programmes under these proposals is provided at paragraph 1.53 below.

Summary of proposals and recommendations:

The review makes a number of proposals for how the wider relationships between Area Committees and Theme Committees should work in practice, including:

- **That there should be a consultative element to the relationship between Area Committees and Environment Committee (and other**

> - Theme Committees), with dialogue between Area and Theme Committees about strategies, plans and local issues
> - That Area Committees should also be able to refer issues to Theme Committees for resolution if they cannot be resolved by an Area Committee or Residents' Forums, and
> - That these referrals should be coordinated with any relevant external funding cycles.
>
> This report recommends that the Community Leadership Committee agrees to the more formal and structured relationship between Area Committees and Theme Committees, particularly the Environment Committee.

Section 3 – Budget allocations: Revising and improving the way that Area Committee budgets are allocated

1.27 As described in paragraph 1.5 of this report, each Area Committee has a £100,000 delegated budget for each of the four years 2014/15-2017/18. In its first year of operation this funding was allocated through an open public grants process, which aimed to support small-scale community activities and new or developing community groups. When the Community Leadership Committee agreed the process for 2014/15, they also agreed that the first year of allocations would be carried out as a pilot scheme, subject to review before future allocations were made.

The 2014/15 process

1.28 A total of 48 applications were received from community groups wishing to run events or projects. The total funding requested across the three Area Committees was £327,193, and 35 projects were funded, to a total value of £208,065. A breakdown by Area Committee of the applications, projects funded, the total value of funding allocated and the funds not spent (which are automatically rolled over to be spent in 2015/16) is shown below for 2014/15.

Applications and awards by Area Committees in 2014/15

	Applications received	Projects funded	Funding allocated	Funds remaining
Chipping Barnet	20	11	£48,796	£51,204
Finchley & Golders Green	17	13	£85,372	£14,628
Hendon	13	11	£73,897	£26,103
Total:	48*	35	£208,065	£91,935

*One application was made to all three Committees and one was made jointly to Finchley & Golders Green and Hendon – these have been counted once for each Committee applied to in the totals for individual Committees.

1.29   The takeup for the grants process was high – eight times the average number of applications to the corporate grants programme over the same time period – and the majority of the community groups who applied also attended the meetings and answered questions from Members about their projects.

1.30   The applications to the scheme demonstrated a clear appetite in each area for projects which focused more on direct work with residents than on environmental issues, as well as the environmental improvements which have been the traditional focus of the Area Committees. A total of 15 of the 48 applications were for environmentally focused projects (7 in Chipping Barnet, 6 in Finchley & Golders Green, and 2 in Hendon) with the rest being predominantly bids to run workshops or activities for local people. These included projects such as community domestic violence support services, job clubs and 'health champions' schemes. This is important because it suggests that local communities may be keen to engage with Area Committees on other issues in addition to the environmental improvements which tend to be the focus of the meetings.

Issues with the 2014/15 process

1.31   However, there were also some disadvantages to the process, set out below:

- **Administrative costs:** It required a great deal of time and resources to administer -in total, more than 200 hours of officer time, with around twenty officers involved in the process from across Governance, Commissioning, and Delivery Units, including the adults' and children's safeguarding services.
- **Size of awards:** The size of grants was much higher than anticipated. Most grants were awarded to existing groups, and the average size of grant was £6,500. This suggests that the process did not attract bids from new and emerging groups or for small-scale community activities as had been the intention for the budgets
- **Duplication of other funds:** To some extent, it duplicated the existing Corporate Grants programme, and may have contributed to reduced demand for, and an underspend in, the latter
- **Prioritisation:** In addition, it did not give Members an opportunity to consider how they might want to prioritise the funding and ensure they got the most value from it for their local area.

1.32   Finally, the first year's process did not give the Committees a chance to resolve any issues which had come forward through other routes, including the 'backlog' of outstanding issues from earlier in 2014/15 which had not yet been resolved. This 'backlog' consists of issues which have not been picked up through any of the Environment Committee work programmes and are in need of resources to resolve them – whether to implement them or to carry out further investigations or feasibility studies.

Recommendation to change the process for 2015/16-2017/18

1.33   Because of these issues, the review recommends that the open public grants process is not repeated in 2015/16 and that Area Committees instead move to a system which gives Members more of an opportunity to plan and direct how they spend their funds, in response to local issues which come forward from residents through a variety of routes. It is proposed that this would work as set out in paragraphs 1.34-1.53 below.

Proposals for the new process to allocate Area Committee funds

1.34   Although the recommendation is to move away from an open grants process, the proposals that Area Committees would fund would still be those identified as priorities by residents. These would be potential projects which might come forward through various routes, including, but not limited to, the below:

- issues raised at Residents' Forums
- issues identified through Ward Tours
- Members' items brought to the Area Committee
- projects which have been identified by the Environment Committee or another Theme Committee, but which Theme Committees have chosen not to fund because they are not borough-wide priorities.

1.35   Members could choose to set aside a proportion of the budgets to respond to low level environmental issues as and when these emerge.

1.36   If other issues have been flagged up as significant local problems by officers, through existing needs assessments or other evidence-gathering processes – for example, high youth unemployment or health inequalities between different communities – Members could, in the same way that they might request a feasibility study for an environmental improvement, instruct officers to investigate the issue and bring possible options for projects which could address the issue back to the Committee, with funding used to implement the preferred option if it was considered a local priority.

1.37   It is proposed that, at a set time each year – most logically, at the Committees' March meeting when the business planning process for other Committees is mostly complete – Area Committees consider the priorities for how they will use their budgets in the subsequent financial year. As well as possible projects and issues identified through the routes set out in paragraph 1.34 above, it is proposed that information is reviewed specifically about projects and areas which will not been resourced through the Theme Committees' budgets for the coming financial year, letting Members identify any local needs they would wish to see resolved through their own budgets.

1.38   This could be an opportunity for Area Committees to set some broad parameters for how they will spend their funding – for example,

- roughly how much planned work they wish to see undertaken;

- how much (if any) investigative work they would like officers to undertake around more complex issues that have been identified through needs assessments or other evidence-gathering processes, as described in paragraph 1.36 above; and
- how much funding they would like to hold back for projects which might come forward during the remainder of the year, and/or for reactive responses to low-level issues.

Summary of proposals and recommendations:

Because of the issues which emerged over the course of the 2014/15 Area Committee budget allocations, the review makes a number of proposals for improving the way that these budgets are allocated, including:

- **Moving away from an open public grants process and giving Members the flexibility to respond to local issues which come forward through a number of routes**
- **Using one meeting a year to set priorities and broad parameters about spending on planned and responsive work in the local area**

This report recommends that the Community Leadership Committee agrees the proposed process for allocating the Area Committee budgets from 2015/16 onwards.

Resolving the 'backlog' list of issues

1.39   Because the first Area Committee meetings of this financial year have already happened, it is proposed that for this year (2015/16) Area Committees focus at first on the 'backlog' of issues already identified and not resolved and that this is presented, along with any outstanding issues identified through Ward Tours, at the July Area Committee meetings for Committees to review and decide which, if any, they wish to action immediately, which should be referred on to Environment Committee for consideration and which could be referred into external funding cycles such as the LIP.   Area Committees should subsequently receive progress reports and updates on the implementation of any decisions they make.

1.40   This 'backlog' list is a list of issues identified by Area Committees, and the total cost of these is estimated below for each Committee.   Members will note that the costs for Chipping Barnet and Finchley & Golders Green exceed the total current budgets allocated to the Area Committees in any one year, and that the costs for Hendon are likely to do so.   However, funding for resolving these issues will not be drawn only from the Area Committee budgets or any additional resources allocated through Area Committees (such as the proposals for an allocation of CIL set out in paragraphs 1.41-1.43 below) but will be addressed through existing budgets where possible.   The number of

projects which will come forward for potential funding through the Area Committee budgets is likely to be much smaller.

Estimated costs of outstanding issues by Area Committee

Chipping Barnet	£312,000
Finchley & Golders Green	£400,000
Hendon	*£50,000
Total:	*£762,000

*likely to increase, as a number of minor works on the list are subject to further design and consultation

Additional resources for Area Committees

1.41   It is also proposed, subject to agreement from Policy & Resources Committee on 9 July 2015, to add funding from the Community Infrastructure Levy (CIL) to the existing £100,000 budgets available to Area Committees up to and including 2017/18. CIL is designed to provide or maintain infrastructure which helps to address the impact of growth and development on a local area. It is restricted to spend on infrastructure, though the regulations take a broad view of what infrastructure means and do not restrict use of CIL to capital spending. Using CIL would help to meet some of the costs of resolving the backlog (shown in paragraph 1.40 above). Appendix A sets out the background to CIL, its intended purpose, and the restrictions which are placed on it.

1.42   CIL income varies from year to year and area to area depending on the number and size of developments which come forward. To make sure the Council does not spend a disproportionate amount of CIL income on very locally focused projects and lose opportunities to fund larger-scale infrastructure, and that it continues to respond to the impact of growth and development in a timely manner, it is proposed:

- that the allocation is capped at £150,000 per Area Committee, and
- that funding from CIL should be returned to the Council's reserves for application towards borough-wide infrastructure priorities if not allocated by an Area Committee within two years, or spent within five years.

1.43   Chipping Barnet and Hendon would both reach this threshold and Finchley & Golders Green would receive just under £112,000 if these proposals were agreed. This would provide additional resources to resolve the backlog of outstanding issues. If Policy & Resources Committee agrees this allocation on 9 July, it would be available to Area Committees to spend on infrastructure projects from October 2015 onwards. Full details of the proposals for CIL allocations and the total resources which would be available to Area Committees if these were agreed are set out in section 5.2 of this report.

Making sure issues are resolved through the right routes

1.44   Area Committees will need to have a realistic view of the sort of projects they can expect to be able to implement using their own budgets and a general idea of the full costs of implementing these (for example, the cost of the public consultation requirement accompanying implementation of a Controlled Parking Zone (CPZ)). For many larger projects, costs and timescales mean it may be more appropriate to fund them through another route such as the LIP programme, avoiding spending a disproportionate amount of the Area Committee's budget on a single project.

1.45   It is proposed that as a general rule, to support Area Committees to be able to keep responding to a broad range of local issues rather than spending all their funding on a single project, Area Committees do not fund any project for which the estimated costs of implementing it are greater than £25,000. This £25,000 would not include the cost of feasibility studies, consultation and design as these must take place to determine the final implementation costs, and the cost of these 'scoping' works would also need to be funded from the Area Committee budgets.

1.46   In practice, this would mean that when an issue is identified that an Area Committee would like to see resolved, they instruct officers to carry out the necessary investigative work and authorise funding to cover this. Officers would come back to the Area Committee with proposals and costs for resolving the issue and if the costs of resolving it exceeded £25,000 the Area Committee would refer it on to a Theme Committee for funding through another route instead.

1.47   To help Area Committees strike the right balance between borough-wide priorities and local need and ensure they are getting good value from their budgets, it is proposed that Theme Committees, in consultation with Area Committees, establish guidance for Area Committees to follow, starting with guidance on Environment Committee issues. This guidance would give Area Committees a high-level overview of any additional considerations they need to take into account when considering environmental projects – such as the consultation requirement associated with implementing a CPZ, described in paragraph 1.44 above. Environment Committee has been asked at its June meeting to instruct the Commissioning Director, Environment to work up this guidance for presentation at the July round of Area and Theme Committees for discussion and approval.

Funding for non-environmental projects

1.48   These proposals would mean that Area Committee agendas for 2015/16 will have a strong environmental focus, which risks losing an opportunity to build on the successful aspects of the 2014/15 process – giving Members an opportunity to support non-environmental, resident-focused community projects such as job clubs, 'health champions' schemes, or community arts festivals. We make two further proposals to mitigate this risk, set out in paragraphs 1.49-1.52 below.

1.49 **Not allocating all funding to be spent on environmental issues** – Firstly, it is proposed that Area Committees consider using some of their existing budgets to prioritise any more resident-focused projects which come forward at their July meetings – from Residents' Forums or flagged as potential local priorities by officers – and keep back some of the environmental issues which have come forward for potential funding through CIL later in the year, should the proposed CIL allocation be agreed by Policy & Resources on 9 July.

1.50 **Allocating funding through the Corporate Grants programme –** Secondly, to mitigate the impact of moving away from an open public grants process at Area Committees and continue to give residents and community groups the opportunity to bid for funding to improve their local area, it is proposed that Area Committees are asked to resolve to allocate a part of their current budgets through the existing Corporate Grants programme. This would mean the Committees would continue to devote some resources to resident-focused projects but would use the established and well-tested Corporate Grants procedure, which has dedicated officer support, to administer that process.

1.51 The projects funded through the Corporate Grants programme are similar to those which came forward for funding from Area Committees in 2014/15 (for example, funding for a post to support a canoe club who want to develop their activities for young people; funding for a pilot project to coach unemployed people who have learning disabilities and/or long term conditions, to help them get back into work).

1.52 As a result of continuing austerity, the funding available to the Corporate Grants programme has reduced quite significantly in recent years, from £104,390 in 2014/15 to £87,344 in 2015/16 alone. Allocating an additional £50-51,000 to the programme for 2015/16 would bring its level of funding back up to par, meaning that Area Committees are continuing to support the Council's capacity to make grants to voluntary and community groups. It is proposed that each Committee chooses to allocate £17,000 from its budget through the Corporate Grants programme, 'topping up' this fund by a total of £51,000. If the Community Leadership Committee supports this proposal, the Area Committees will be asked to agree this allocation at their July 2 meetings.

> **Summary of proposals and recommendations:**
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> **To ensure Area Committees have the right information and resources to meet need in their local area, the review makes a number of proposals for how resources could be deployed and how the Committees could select projects, including:**
>
> - **That 2015/16 funding should be focused on the 'backlog' list of issues already identified but not resolved in 2014/15**
> - **That the Committees may wish to prioritise any resident-focused projects which come forward for funding at their July meetings, in**

order to use opportunities to fund environmental projects through Community Infrastructure Levy (CIL) income later in the year
- That, subject to agreement from Policy & Resources Committee, a portion of CIL income should be allocated to Area Committees to spend on infrastructure in their local area
- That a portion of Area Committee funding should be allocated through the Corporate Grants programme to ensure a suitable level of grant funding remains available to residents and community groups.

This report recommends that the Community Leadership Committee:

- Agrees the proposed approach to considering projects and initiatives for Area Committee funding in 2015/16 and for 2016/17 onwards
- Supports the recommendation to Policy & Resources Committee on July 9 to allocate 15% of Community Infrastructure Levy (CIL) income for their area to each Area Committee, capped at a total of £150,000 per Committee and aggregated in the first year of allocation from income received in 2013/14 and 2014/15; to be returned to the Council's Capital Reserve for application towards borough-wide infrastructure priorities if not allocated by an Area Committee within two years, or spent within five years
- Supports the recommendation to each Area Committee on July 2 to allocate £17,000 of its available budget through the Corporate Grants programme, to ensure that a suitable level of grant funding remains available to resident groups who wish to bid for it

Proposed timeline

1.53 The table below sets out the actions which would be added to Area Committee work programmes in 2015/16 if these proposals are agreed.

Month	Actions for Area Committees
July 2015	Briefing on the results of the review Help to develop guidance on local prioritisation (as set out in paragraph 1.47 above) Review backlog issues for the local area and decide how these should proceed, including any allocation of funding Review, and if necessary allocate funds to, any other issues which come forward through Forums, Ward Tours, etc Decide whether to allocate £17,000 through the Corporate Grants programme, for the reasons set out in paragraphs 1.50-1.52 above

	Identify any large-scale highways infrastructure issues and refer these to Environment Committee for submission to the TfL LIP programme (see paragraph 1.25 above)
October 2015	Review the draft Environment Committee Work Programme and contribute any additional information about local issues (see paragraph 1.24 above) Review, and if necessary allocate funds to, any other issues which come forward through Forums, Ward Tours, etc – including allocation of CIL funding if this has been agreed by Policy & Resources Committee
January 2016	Review any new issues and allocate funds Receive progress updates on issues referred elsewhere or existing projects *(this becomes a standing item)*
March 2016	Review Environment Committee work programme for 2016/17 and identify any local issues not resourced through this which the Area Committee wishes to progress (along with relevant issues for the local area identified from any other Theme Committees through the business planning process) If desired, set broad thresholds for planned and reactive use of the 2016/17 budgets in response to this information Review any issues which have come forward and allocate any remaining funds from 2015/16
July 2016	*Repeats the cycle from 2015/16:* Review, and if necessary allocate funds to, new and existing issues which have come forward to the Committee, Identify any large-scale highways infrastructure issues and refer these to Environment Committee for submission to the TfL LIP programme

2. REASONS FOR RECOMMENDATIONS

2.1 Members and residents have both expressed frustration at the way in which Area Committees and Residents' Forums currently operate and how effective they are at resolving local issues. Officers had already committed reviewing the process for allocating Area Committee budgets in their first year and it has

been logical to broaden this to see how some of the other issues which have been raised could be resolved.

2.2 The measures proposed here (and covered under recommendation 1) to improve the operations and logistics of Area Committees and Residents' Forums have been developed in consultation with the Chairs and Vice-Chairs of the Area Committees and the Chairs of the Residents' Forums, who consider that these improvements will make the various meetings work more effectively.

2.3 The relationship between the Area Committees and Theme Committees, particularly the Environment Committee (covered under recommendation 2) needs to be formalised to ensure we strike the right balance between borough-level priorities and local need, and make sure that issues can be resolved at the right level and in a timely manner.

2.4 The process for allocating the Area Committee budgets (covered under recommendation 3) is designed to make sure Members have the flexibility and discretion to respond effectively to priority issues in their local areas and ensure the Council gets value from the money it spends in each area – and to give Members the information they need to be able to do this.

2.5 The proposed timetable for 2015/16 (covered under recommendation 4) takes a pragmatic approach to resolving the predominantly environmental issues which have already been identified, while retaining an option for Members to broaden the Area Committees' focus in the last two years for which the delegated budgets are allocated.

2.6 The proposal to augment the Area Committee budgets with income from CIL (covered under recommendation 5) provides additional resources to resolve the current backlog of outstanding issues as well as any new environmental issues which come forward.

2.7 The proposal to allocate a portion of Area Committee funding through the Corporate Grants programme (covered under recommendation 6) responds to any concerns about moving away from a grants process for allocating Area Committee resources more generally, and retains a role for Area Committees in supporting resident-focused projects in 2015/16, enabling them to build on some of the successes of the first year's process and balancing out the effect of keeping a strong environmental focus for the use of the budgets in the first year of this new process.

3.   ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 The Council could make no changes to the way in which Area Committees and Residents' Forums operate, but this would:

- risk continuing Members' and residents' dissatisfaction with the current system

- not take action to resolve the local issues which have already been identified by residents and Members
- lose out on the opportunities Area Committees provide to feed local views and opinions into the borough-wide priorities of the Theme Committees.

3.2 The Council could retain the existing process for allocating the Area Committee budgets, but this would:

- require additional officer resource to administer it – the capacity used to support the first round of allocations no longer exists due to restructures in the Commissioning Group and Governance Service – without any budget available to do this
- limit flexibility in how the budgets are spent – the process does not give Committees room to prioritise or to target their resources
- continue to duplicate the corporate grants programme.

3.3 Area Committees could choose to take a purely environmental focus and ignore non-environmental issues in their local area, but this option:

- restricts flexibility in how the budgets are spent should non-environmental issues emerge
- loses the link between democratic decision-making and funding for local community projects
- risks missing out on opportunities to get residents engaging with the Council on a whole range of local issues through the Residents' Forums, as the Forums would be likely to remain focused on environmental improvements under this approach.

4. POST DECISION IMPLEMENTATION

4.1 If the Community Leadership Committee approves the recommendations set out in this report, the measures to improve the operations and logistics of the Area Committee and Residents' Forum meetings will be put into place immediately, before they next meet on 2 July 2015. Constitution, Ethics and Probity Committee will be asked to amend the Council's constitution to reflect the changes to arrangements for petitions, as set out in paragraph 1.14 above.

4.2 Officers will brief Members, particularly those who sit on Area Committees, about the changes to the allocations process – and will also communicate with community groups who have made contact to follow up on last year's allocations process about what these changes mean for them. Guidance on the process will be developed for (and with) Area Committees and added to the agenda for their July meetings.

4.3 Work programmes for the Area Committees and Theme Committees, in particular the Environment Committee, will be developed and adjusted to

reflect the relationships and proposed allocation of resources set out in this paper.

4.4   The Committee's support for the proposals to supplement the Area Committee budgets with income from CIL will be noted in a paper to Policy & Resources Committee on 9 July 2015, asking them to agree the allocation of CIL to Area Committees.

4.5   At their meetings on July 2, Area Committees will be asked to agree to the transfer of funds to the corporate grants programme as set out in paragraphs 1.50-1.52 above.

5.   **IMPLICATIONS OF DECISION**

5.1   **Corporate Priorities and Performance**
5.1.1   The recommendations set out in this report further the principles of the Corporate Plan 2015-2020 by seeking to ensure that Area Committee operations and the resources they allocate improve quality of life for people in each local area, support communities to help themselves, and work efficiently to ensure value for money.

5.1.2   The decision will contribute to the Health and Wellbeing Strategy's aim to improve wellbeing in the community by helping local people get issues in their area resolved more effectively and giving Area Committees and Residents' Forums the tools they need to ensure this.

5.2   **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**
5.2.1   Paragraphs 1.33-1.53 of this report deal with proposals to refine the way in which the existing budgets of £100,000 a year delegated to each Area Committee for each of the four years 2014/15-2017/18 are administered.

5.2.2   These proposals seek to ensure that these resources are administered in a way which:

- ensures the resources are used in a way which achieves good value for public money
- avoids overly high administration costs
- makes sure appropriate capacity is available to support the process without having an impact on the delivery of other areas of work.

5.2.3   The current funding available to each Area Committee for 2015/16, including the underspend from 2014/15, is set out in the table below:

Current funding available by Area Committee

	Annual budget	*2014/15 underspend*	*Total available in 2015/16*
Chipping Barnet	£100,000	£51,204	£151,204
Finchley & Golders Green	£100,000	£14,628	£114,628
Hendon	£100,000	£26,103	£126,103
Total:	£300,000	£91,935	£391,935

5.2.4 This report also proposes that a proportion of the Community Infrastructure Levy (CIL) is allocated to each Area Committee, subject to agreement from Policy & Resources Committee on 9 July 2015. The purpose of CIL is to provide, improve, replace, operate or maintain infrastructure which will help to address the impact of growth and development in a local area. CIL income varies year to year and area to area, depending on the number and size of developments which come forward in that area. CIL income for each financial year is spent a year in arrears (so, for example, the 2014/15 income is not known until 2015/16).

5.2.5 There is a regulatory requirement, in parished local authority areas, for 'a meaningful proportion of CIL income to be allocated to neighbourhoods', met by allocating 15% of the CIL income for each parish to the parish council. The purpose of this requirement is to make sure the communities affected by growth and development have the opportunity to benefit directly from the income it brings in.

5.2.6 Because Barnet has no parish councils, the Council is not required to delegate CIL income. However, it is proposed – subject to agreement from Policy & Resources Committee – that to fulfil the spirit of the CIL regulations, Area Committees should be treated in the same way as parish councils and allocated 15% of the CIL receipts for their local area, to be capped at £150,000 per year and ring-fenced for spend on environmental schemes.

5.2.7 In 2015/16 officers have also proposed that we amalgamate the CIL allocations for 2013/14 and 2014/15. This would support a more even distribution across Committees, with Chipping Barnet and Hendon both reaching their capped total and Finchley & Golders Green receiving over £100,000. This combined allocation is set out in the table below:

CIL allocations by Area Committee

	15% of 2013/14 Income (actual)	*15% 2014/15 Income (projected)*	*15% net total*	*Capped Expenditure Budget*
Chipping Barnet	£97,352.97	£125,000	£222,352.97	£150,000
Finchley & Golders Green	£31,905.04	£80,000	£111,905.04	£111,905.04
Hendon	£2,877.93	£200,000	£202,877.93	£150,000
Total:	£132,135.94	£405,000	£537,135.94	£411,905.04

5.2.8 There is a requirement, under the CIL regulations, that areas with a Neighbourhood Plan should receive 25% of CIL income from developments which come forward in the designated area of the Plan. There will be some interplay between this allocation and the proposed allocation of 15% of local CIL to the three Area Committees. The 25% allocation relates only to the CIL income for the Neighbourhood Plan area and not to the income for the whole constituency.

5.2.9 Currently, there are no Neighbourhood Plans in Barnet, although one is being developed in Mill Hill. There is very little development coming forward in the Mill Hill Neighbourhood Plan's designated area and as a result, the financial impact of this requirement will be minimal.

5.2.10 The proposals going forward to Policy & Resources Committee will recommend that the 25% allocation is rolled up into the wider 15% allocation for the whole of the Hendon constituency. It is proposed that the Hendon Area Committee takes responsibility for ensuring that the appropriate proportion of this 15% total allocation is allocated to the Mill Hill Neighbourhood Plan area and that decisions made about how it is spent are made in accordance with the principles of the Neighbourhood Plan.

5.2.11 Ultimately, there is a trade-off between CIL resources which are held centrally, to provide for Borough-wide or cross-constituency developments, and the CIL income which, it is proposed, will be spent on more locally focused issues through Area Committees. Should further Neighbourhood Plans be developed in the Borough, the Council will keep the interplay between central CIL and CIL allocations to Neighbourhood Plan areas – and Area Committees – under review, in order to maintain a fair balance and ensure sufficient central funding is available for larger infrastructure projects.

5.2.12 The implication of these recommendations for the Corporate Grants programme is a transfer of £51,000 from the combined Area Committee budgets to the Corporate Grants programme, to be made up of £17,000 from each Area Committee as set out in paragraphs 1.50-1.52 above.

5.2.13 This transfer allows Area Committees to maintain grants provision for local groups wishing to carry out projects in their local areas, and mitigates a fall in the Corporate Grants programme's budget from £104,390 in 2014/15 to £87,344 in 2015/16.

5.2.14 If all the recommendations in this report are implemented then the total funding available to each Committee in 2015/16 would be as set out in the table below:

Proposed funding to be allocated by each Area Committee in 2015/16

	Base budget 2015/16	Unallocated funds from 2014/15	CIL income	Allocation through Corporate Grants programme	Total 2015/16 allocation through Committees
Chipping Barnet	£100,000	£51,204	£150,000	-£17,000	£284,204
Finchley & Golders Green	£100,000	£14,628	£111,905	-£17,000	£209,533
Hendon	£100,000	£26,103	£150,000	-£17,000	£259,103
Total:	£300,000	£91,935	£411,905	-£51,000	£752,840

5.2.15 The total estimated costs of outstanding issues by Area Committee are as set out in paragraph 1.40 above and in the table below.

Estimated costs of outstanding issues by Area Committee

Chipping Barnet	£312,000
Finchley & Golders Green	£400,000
Hendon	*£50,000
Total:	*£762,000

*likely to increase, as a number of minor works on the list are subject to further design and consultation

5.2.16 These issues cannot be resourced through Area Committees alone, as their costs exceed the total funding available to the Committees. The recommendations in this report therefore also seek to ensure that issues which cannot or should not be resolved through the Area Committee budgets are referred to the best place for them to be handled and to put the right mechanisms in place for this to happen. Information will be presented to the Area Committee meetings on July 2 so as to support the Committees to refer the backlog issues to the best routes to get them resolved, including, where appropriate, into the autumn 2015 LIP submission.

5.2.17 We will need to ensure that there is no negative impact on other work that has

already been planned or programmed through the Theme Committees, so commissioners and Delivery Units – particularly Re – will need to work closely together to make sure flexible resources – particularly officer and contractor time – are identified and available to implement any discretionary projects agreed by Area Committees.

5.3   **Legal and Constitutional References**

5.3.1   The Council's Constitution, Responsibility for Functions, Annex A, sets out the Terms of Reference for the Residents' Forums, Area Committees and Theme Committees.   The Terms of Reference for the Community Leadership Committee include:

- To oversee arrangements for cross partner cooperation including any pooling of budgets
- To maintain good community relations with Barnet's diverse communities ensuring that all communities have the opportunity to participate fully in the Borough's affairs
- To approve any non-statutory plan or strategy within the remit of the Committee that is not reserved to Full Council or Policy & Resources Committee.

5.3.2   On 10 June 2014, when Policy and Resources Committee approved the allocation of a budget of £100,000 to each of the three Area Committees for the next four years, it also agreed that the governance arrangements detailing

- accountability
- how the priorities would be set
- how the funding should be allocated

should be delegated to the Community Leadership Committee for approval.

5.3.3   Section 216 of the Planning Act 2008 and Regulation 59 of the Community Infrastructure Levy Regulations 2010 set out what CIL may be used for.

5.4   **Risk Management**

5.4.1   The proposals set out in this report and in the linked report to Environment Committee on June 11 2015 are designed in part to mitigate the risks of not resolving the issues identified with Area Committee and Residents' Forum operations.   In particular, any continuing lack of action in resolving the outstanding issues identified by Area Committees – particularly in relation to highways schemes – risks damaging the reputation of the Area Committees and the Council as a whole as local people's expectations have been raised and have neither been met (through delivery of the schemes) or managed (through clear communication about their status).

5.4.2   There is a risk that moving from an open public grants process to a more Member-led process for allocating the Area Committee budgets may be negatively received by voluntary and community groups who were keen to access funding through the first round of allocations.   This risk will be mitigated through clear communication with local community groups about the

move and through adding capacity to the corporate grants programme. It is balanced to some extent by removing some of the risks associated with the open public grants process – for example, ensuring adequate due diligence around safeguarding and financial issues – which required significant resource to mitigate them.

5.4.3 There is some risk that the proposal to focus on environmental issues in 2015/16 may lose opportunities to broaden the focus of the Residents' Forums and Area Committees and have them take a more holistic view of the needs of their local areas. This has been mitigated by retaining the option for Area Committees to consider more resident-focused projects in the future and ensuring that their work programmes are linked to other Theme Committees as well as the Environment Committee.

5.5 **Equalities and Diversity**

5.5.1 The 2010 Equality Act outlines the provisions of the Public Sector Equality Duty. This requires public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people from different groups
- foster good relations between people from different groups.

5.5.2 The recommendations set out in this report are designed to ensure that Area Committees are able to reflect the needs of different communities within their local area in their own decisions, and to give Area Committees a route to feed these into the decisions made by Theme Committees.

5.5.3 Individual equalities impact assessments will be carried out to identify any equality considerations associated with the decisions made by an Area – or Theme – Committee.

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. 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 in response to the findings of that consultation and the proposals set out in this paper aim to continue developing the Council's response to those findings.

5.6.5 More generally, the relationship between Area Committees and Residents' Forums is a critical part of the Council's commitment to public engagement. If the process is perceived as being 'clumsy' or not relevant because local priorities are not acted on then that relationship will not be used to its full potential. The proposal to create a process for Area Committees to determine and act on priorities in their local areas will help to build stronger and more effective links between the Council's decision-making processes and the needs of local communities.

5.6.6 Members, particularly the Chairs and Vice-Chairs of the Area Committees and Residents' Forums and the Chair, Vice-Chair and Opposition Spokesman of the Community Leadership Committee, have been consulted throughout the review and the development of the recommendations.

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).

6.5   [Community Participation Strategy: Implementation Plan](#) (Community Leadership Committee, 11 March 2015).

6.6   [Review of Area Committees and their relationship with the Environment Committee](#) (Environment Committee, 11 June 2015)

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