

1 Introduction

- 1.1 The Councillors Community Grant Scheme (hereafter referred to as “the Scheme”) was established by Cabinet on 10 July 2012, initially as a one year pilot. It was launched in September 2012 so has now been in operation for two and a half years.
- 1.2 The Scheme has increased the ability of ward members to bring about changes in their local area and it has taken time to adapt to the opportunities that this new approach brings. Some low-level changes have been made to the Scheme during the two and half years, to ensure it operates efficiently and to encourage maximum take-up of the Scheme by members and the wider community.
- 1.3 The elections in May 2015 will see a change of Councillor in some areas and forms a natural break in the Scheme. Arrangements have been made to close the Scheme on 27 March 2015, ahead of the pre-election purdah period, and thought must now be given to the Scheme that will be operated by the new cohort of Councillors that are elected in May.

2 Corporate Objectives and Priorities

- 2.1 The Scheme is a fundamental part of the Council’s broader Empowering Communities programme, which forms one of the four priorities in the Corporate Plan, [*“Doing things differently”*](#).
- 2.2 This work also formed part of the Council’s contribution to the Local Government Association (LGA) “Keeping it Real” programme.

3 Consultations/Communications

- 3.1 Ward Councillor opinion has been gathered anecdotally during the two and a half years during which the Scheme has operated and this has influenced the proposals that are detailed later in the report.
- 3.2 The views of the “Keep it Real” group have been sought periodically; most recently at a steering group meeting in September 2014 when the changes proposed in this report were discussed.
- 3.3 Feedback on the Scheme has been sought from successful applicants as part of the grant monitoring process.

4 Options

- 4.1 Changes are required to remove overlap between the Scheme and the Council’s Small Community Projects Fund. This could be done by making clearer delineation between the two schemes, or alternatively by bringing the two closer together so that they effectively work as a single scheme.

- 4.2 The Scheme budget has been approved for 2015/16, but approval is required for 2016/17 and beyond. There are various ways in which the approved budget could be distributed between wards and it is important to identify the most equitable approach.
- 4.3 The Scheme represents a significant investment over the four year period between elections and it is important to ensure that this funding is used effectively to meet the needs that exist across the Borough. Consideration must be given to a system that allows flexibility to divert unspent funds to the areas where the need is greatest.
- 4.4 It has been suggested that more restrictive criteria are required to govern how the scheme operates, but this could limit the ability of individual members to respond in a way most suited to their respective area.
- 4.5 The role of the Ward Councillor involves acting as a catalyst for change in their area and also responding to many requests for help that are received. To do this effectively they need to identify whether any evidence exists to support the request or demonstrate the extent of local need. When no such evidence exists, the Councillors may need to undertake some local consultation and they may require some resources to do so.

5 Option Appraisal

Relationship with the Small Community Projects Fund

- 5.1 The Scheme has a degree of overlap with the Council's Small Community Projects Fund (SCPF), which pre-dated the Scheme and also supports small one-off community projects. This overlap has caused confusion for some as to which is the most suitable scheme for an applicant, but also which is the most likely to lead to success. It is important to simplify arrangements, so that applicants, Officers and Councillors are all clear how to proceed in any given circumstance.
- 5.2 One approach would be to differentiate more clearly between the two schemes, but this would require tighter and more extensive criteria for each scheme and would move away from the flexible, 'light-touch' type of scheme that is desired (see 5.11). It is proposed that a better approach would be to bring the two schemes together to create a single point of application to which all requests for small one-off project funding would be directed.
- 5.3 A single set of criteria would be developed that encompasses both schemes. Applicants would be required to identify the ward(s) that their project benefits and seek the support of a Ward Councillor from the primary area of benefit. The Ward Councillor(s) for that area would then assess whether it is appropriate for support from their ward budget or whether it has a significantly wider impact.
 - (a) If appropriate for support from the ward budget then the decision making process would remain the same as currently for the Councillor Community Grant Scheme. All Ward Councillors for the ward in question would be required to reach consensus on the decision,

in which case it would be approved by the Head of Community and Leisure under his delegated authority.

- (b) If the Ward Councillor(s) for the primary area of benefit feel that the project has a significantly wider impact, the application would be referred to an Officer Panel for a decision. This is the same Panel arrangement that currently administers the SCPF. Applications would also be referred to this Panel if the Ward Councillors cannot reach consensus on the decision.

- 5.4 The maximum grant available from the SCPF is £2,000, whereas the maximum that can be approved by Ward Councillors is currently limited to £500. One way to make the Councillor Community Grant Scheme more attractive to applicants is to increase the upper limit and £1,000 is suggested. There have been examples where a larger sum has been approved as an exception to the approved Scheme where the Ward Councillors were keen to do so and it was felt appropriate.

Allocation of funds

- 5.5 A budget of £70,700 was made available for the Scheme for each full financial year to date. The budget was divided amongst wards using the population of each ward and allocating 1% of the budget (£700) for every 1% of the population. In the period since the Scheme was launched certain wards have seen their population grow significantly as a result of major developments in the area, increasing their share of the overall Borough population. Over time, this has created an imbalance between the population and the current allocation of funds.
- 5.6 The Scheme started slowly, but the rate at which grants are allocated is increasing over time (see Annex 1). With a new cohort of Councillors after the election, it is likely that this rate of expenditure will increase further, so it is proposed to maintain the annual budget for the Scheme as £70,000 and commit to continuing the Scheme for the full four-year period of the next administration (2015-2019).
- 5.7 The most equitable way to allocate the budget is to use the latest small area population forecast and share it between wards on a pro rata basis. The alternative would be to continue with the current allocation, though this would not reflect the increasing population of certain wards. The suggested allocation is shown at Annex 2 and represents an increase for 9 wards and a small reduction for the other 15.
- 5.8 All wards have funding remaining at the current time - see Annex 3 for a detailed summary of the current situation. The aim is to see the majority of wards allocating their entire budget over the course of a year, but it is likely that some wards each year will have funding remaining.

To date, Councillors have been able to draw on any unspent funding in subsequent years for projects in the that Ward, but this approach does not make most efficient use of resources as it allows no flexibility to direct funding to where the demand is greatest. It is proposed that in future any unspent funds at the end of each financial year are released for use during subsequent years in areas where the full annual allocation is committed.

- 5.9 The SCPF budget for 2015/16 has been approved at £10,000. The proposal to amalgamate the two schemes would create a total Scheme budget of £80,000. The £10,000 remaining from the SCPF would remain ring-fenced for projects that benefit multiple wards.

Scheme eligibility and criteria

- 5.10 The Scheme was established in such a way as to allow Councillors flexibility and discretion when considering applications and deciding what type of project and organisation to support. This enables them to promote and support very different types of application, reflecting the diverse nature of the Borough and its communities. The varied nature of projects supported to date reflects that this approach has generally worked well.
- 5.11 A small number of applications have proved difficult to determine, but these have been the exception and any benefit that would come from tightening the criteria would be far outweighed by the loss of flexibility if we were to be more prescriptive. A flexible and 'light-touch' approach is appropriate given the small amounts involved, allowing Councillors to use discretion and local knowledge to allocate resources in a way that is appropriate for their area.
- 5.12 It would be helpful to have a comprehensive set of guidelines for Councillors and applicants, highlighting the implication of circumstances such as high levels of funds or donations to other good causes. This should improve the quality of bids, ensure that the required information is provided more regularly and lead to quicker and more informed decision-making.
- 5.13 Ward Councillors have reported that the 50% requirement for matched funding has been an obstacle for some applicants. The principle of requiring a proportion of matched funding is sound, as it encourages better quality applications and levers in additional funding. However, reducing this could help stimulate greater interest in the Scheme so it is proposed to reduce the required proportion of matched funding to one-third of the project cost.
- 5.14 There have been a number of enquiries from Schools about projects that Councillors were keen to support, but the current criteria prevented them from doing so. With certain conditions in place, relating to community benefit and/or wider community access, it would be possible to include Schools within the eligibility criteria, which would make the Scheme eligibility consistent with that of the Community Asset Fund.
- 5.15 A full and detailed set of eligibility criteria will be developed to support the effective delivery of the Scheme, to be approved by the Head of Community and Leisure, in consultation with the Community and Leisure Portfolio Holder.

Councillor-led consultation activity

- 5.16 When the Scheme was established, provision was made for Councillors to apply for funding. This was expected to happen in circumstances where a need was identified by the Councillor(s) but there was no organisation to take the lead. This situation has arisen on a couple of occasions to date, but a new and different requirement has emerged.
- 5.17 Some Ward Councillors have wanted to undertake consultation with residents in the ward. This has usually been in the form of a community event to bring residents together socially, but also to gain a better understanding of their needs and wants. There are costs associated with such activity and opportunities are taken where possible to work with other organisations (e.g. Aster Housing) which help to secure contributions in kind. However, it is rare that other funding is forthcoming to support this kind of activity and this could prevent valuable consultation taking place. Allowing limited use of the Scheme budget for localised consultation activity would make good sense and ensure sound decision making about allocation of the Scheme budget.
- 5.18 It is important that the primary purpose of the Scheme remains the enabling of local projects and activities so a limit on expenditure directly by Councillors seems sensible. It is proposed that up to one third of the allocation to a Ward in any one financial year could be spent by the Ward Councillor(s) on costs associated directly with consultation to support them in understanding the needs of residents of the Ward. Expenditure of this nature would be subject to the approval of all Councillors for the Ward in question and the approval of the Members' Panel that oversees operation of the Scheme. It would also be exempt from the requirement for matched funding.

6 Risk Management

- 6.1 An evaluation of the risks associated with the matters in this report indicate that further risk assessment is not needed because the changes/issues covered have previously been considered by Councillors (Cabinet on 10 July 2012 – minute 99 refers).

7 Resource Implications

- 7.1 The balance unspent when the current Scheme closes on 30 March 2015 will be returned to the New Homes Bonus Reserve. At the date of writing, this balance stood at £121,593.
- 7.2 It is proposed that £80,000 per annum is allocated from the New Homes Bonus Reserve for each of the next four financial years.
- 7.3 It is suggested that any funds that remain unspent within the Scheme at the end of each financial year should be made available for use in the next financial year in areas where the full annual allocation is insufficient to meet the demand.

7.4 The balance unspent at the end of the four-year period of the new Scheme (March 2019) would also be returned to the New Homes Bonus Reserve.

8 Legal Implications

8.1 There are no legal implications arising from this report.

9 Equality Issues

9.1 No equality issues have been identified. As a result, a full Equality Impact Assessment has not been completed in accordance with the Council's EQIA methodology as a result.

10 Issues

10.1 All Wards/Communities are affected.

11 Conclusion and reasons for recommendation

11.1 The devolvement of modest budgets to Ward level has enhanced the role of Borough Councillors as community leaders and formed a major part of the Council's response to the localism agenda. There is an opportunity to build on this positive work with a new cohort of Councillors after the forthcoming election.

11.2 The proposed approach would streamline grant arrangements and further increase Councillor involvement in the inception and consideration of grant applications. It addresses some identified weaknesses in the current arrangements and builds on the strengths, ensuring best use is made of the resources available and maximising benefit for the communities of Test Valley.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	Three	File Ref:	N/A
(Portfolio: Community and Leisure) Councillor Ward			
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