

Executive – 5 March 2009

SUSTAINABLE COMMUNITY LOCALITY FUND

Report of Head of Community Regeneration

Statutory Powers: Local Government (Miscellaneous Provisions) Act 1976, Section 19 and Local Government Act 2000, Part 1, Local Government Act 1972, Section 101.

Financial Implications: As part of the budget process Members have established a new Sustainable Community Locality Budget of £1,000 per Member to spend within their local Wards, having a revenue impact of £40,000.

Purpose

To agree to establish procedures for a Sustainable Community Locality Fund. Such a locality budget would strengthen the Council's commitment to supporting communities in achieving its overall aim 'to improve the well-being of the people of the South Hams' whilst contributing to Council priorities and commitments.

RECOMMENDATIONS

That the Executive RESOLVES to:

- a) **approve the principles and procedures for governing the application for, and use of, the Sustainable Community Locality Fund providing each Member £1,000 to spend within their Ward;**
- b) **grant delegated authority to the Head of Community Regeneration to approve payment of a grant where the submission accords with the agreed procedures;**
- c) **grant delegated authority to the Strategic Director (Community), in consultation with the Leader, to refuse payment of the grant if the suggested payment does not accord with the agreed procedures;**
- d) **agree to receive an annual report from the Head of Community Regeneration outlining how the locality fund has been used in each ward;**
- e) **grant delegated authority to the Head of Community Regeneration to finalise the detailed wording of the required forms and guidance notes.**

Background

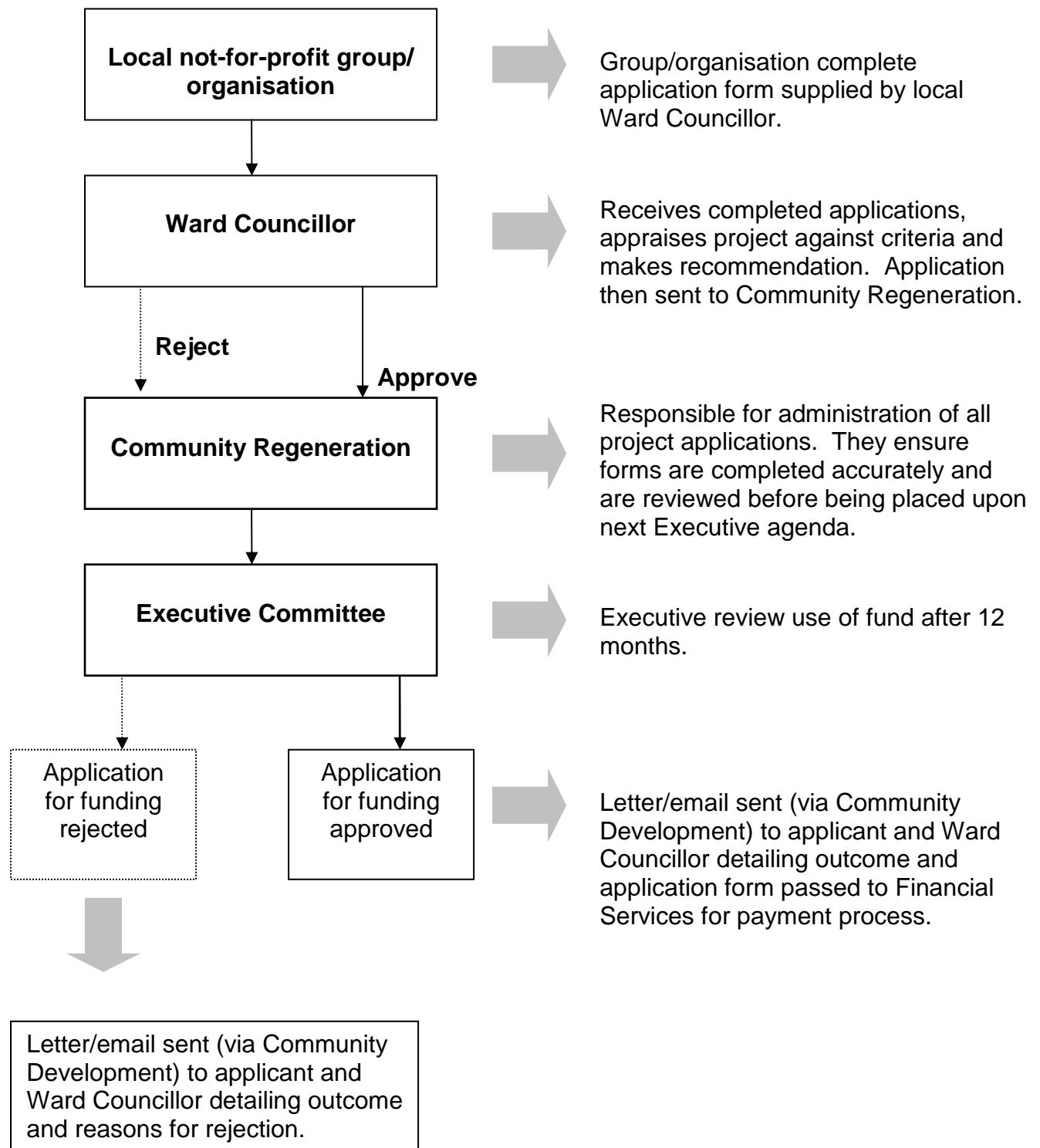
1. Government policy is promoting greater local engagement and increasing community leadership in the role of the Ward Member. Members believe that exercising community leadership and contributing to local partnership working would benefit from access to an enabling budget. In other councils, locality

budgets have a variety of uses including financially supporting feasibility studies, sponsoring community events, contributing to community facilities and providing partnership funding.

Potential criteria

2. A locality budget has been suggested, enabling each Member to support projects and activities that will, in the judgement of each individual Member, meet a local priority. Given the current scale of the funding available the budget is likely to act as a small catalyst to attract contributions from other agencies, or external grants, or to contribute to locally raised income.
3. So that we can ensure financial probity, value for money and accountability, we should set some key principled and monitoring arrangements for the use of such locality budgets. These should not be so complicated that they cost more to administer than the budget Members have.
4. Criteria for the use of the fund are suggested as follows:
 - The fund can be used for any project / activity which in the view of the Member will improve the well-being of the community, enhance quality of life and is for the wider benefit of the residents.
 - The project / activity must support the South Hams Sustainable Community Strategy themes.
 - Applicants must be able to demonstrate local support and/or need e.g. through the aspirations in a town, village or parish plan; or following engagement with local residents, voluntary/community groups and hard to reach groups.
 - It is expected that each Member will use their allocation within their Ward or for the benefit of the wider local community, recognising that a Member may wish to combine resources with other Members to support a particular project that serves the local area (especially in multi-Member Wards).
 - Payments must be made to a not-for-profit organisation and not benefit an individual.
 - In view of the relatively small budget, the use of the funds could be carried forward over a number of years in order to make a larger contribution to a particular project. It would not be appropriate to make grants for more than the Member has available in their Locality Budget at the time that a grant is payable. A minimum grant amount of £100 is recommended. No application deadline is suggested, but there must be adequate publicity about the grant application process to avoid concerns about the fairness..
 - During the 'purdah' period of the elections (i.e. the date from the publication of the Notice of Election to the Election itself) it is suggested that no grants are paid, and undetermined applications are passed to and held in suspension by the Head of Community Regeneration.

- Funds can be used to support existing projects, but they should not be used to replace funding withdrawn by the Council, nor provide/imply ongoing financial commitment by the Member or the Council. Furthermore the fund should not be used for projects in receipt of other Council grants.
 - Members wishing to make a grant must complete a grant proposal form and submit it to the Council. A suggested form and guidance notes for the applicant are attached at Appendix 1. Guidance notes for Members have also been produced and are attached at Appendix 2. Prior to publication the draft forms and notes will need to be finalised.
5. It is suggested that the approval process be relatively light touch. The form would be issued by, and returned to, the Member. It would then be submitted to an appropriate officer for checking compliance with the above criteria. Once agreed, payment would then be made to the organisation. The following diagram helps to explain the different stages involved within the programme from application through to project approval or rejection:



6. Successful applicants would be offered grants in advance and would not be asked to evidence spend, other than the provision of an end of project report. Successful applicants would be asked publicise the award of the grant. Section 137A of the LGA 1972 stipulates that a grant of more than £2,000 in any year to a voluntary organisation requires a written statement from the body explaining what the funding has been used for. Annual monitoring reports will be produced to assess the overall success of the fund.
7. If there is an unusual situation which arises where the suggested grant is felt not to be in accordance with the criteria, it is suggested that the decision to refuse the grant is delegated to the Strategic Director (Community), in

consultation with the Leader. This process will include liaison with the affected local Member.

Risk Assessment

The following are the significant risks and opportunities identified:

Opportunity	Issues / Obstacles	Benefits
Effectiveness of a locality budget: <ul style="list-style-type: none">• Enables Members to engage in local community initiatives.• Potentially strengthens the community leadership role.	Ensure probity issues managed: <ul style="list-style-type: none">• Ensure administrative burden is minimised while complying with audit requirements• Given the small value of grants available, should a project fail the clawing back of funds are unlikely to be cost-effective. <p>Future budget pressure because funding levels are likely to be insufficient.</p>	Some community projects requiring greater financial support could be funded either from loans.

Conclusion

8. A locality budget would provide each Member with the ability to support projects and activities that will meet a local priority. This in turn enables Members to engage in local community initiatives and potentially strengthens the community leadership role.

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Executive
5 March 2009

Lee Bray
Head of Community Regeneration

Background Documents:

None