

Report to: Communities Scrutiny Committee

Date of Meeting: 1st March 2012

Lead Member/Officer: Corporate Director: Learning & Communities

Report Authors: Community Engagement Manager; Strategic Regeneration Manager; and Head of Finance and Assets

Title: Community Funding

1. What is the report about?

The funding allocated to enable Member Area Groups to them to support priority projects in their areas and funding for future community projects.

The report also updates members on proposals to manage a number of trust funds in a different manner

2. What is the reason for making this report?

Scrutiny has requested a report on the allocation of £50,000 to each of the six Member Area Groups (MAGs) and to specifically include information regarding,

i. the criteria under which the money was allocated and how the money was utilised for the benefit of the communities, and

ii. the financial streams available for future community funding (capital/revenue/town plan funding) including match funding opportunities via the Rural Development Plan for Wales (RDP), Denbighshire Voluntary Services Council's (DVSC) Community Chest and any other available monies

3. What are the Recommendations?

That a further report is presented following an analysis of the benefits to the community accrued from projects supported through the allocation to the MAGs

4. Report details

4.1 Background to the allocation

- 4.1.1 At the end of each financial year the final budget position is reported to Cabinet and then full Council who approve all allocations of under or over spends and transfers to/from reserves and provisions.
- 4.1.2 At the end of 2010/11 the Council had an underspend. An option was proposed of using £300k of this to support the Council's priority of getting closer to the community. This was supported at Cabinet on 21 June and approved at Council on 5 July. It was proposed that this could be done through the recently reconvened Member Area Groups (MAGs). This would allow the MAGs to have direct access to funds to address issues in their area and allow the Council to address local issues.
- 4.1.3 All Elected Members were notified of the MAG allocation with a guidance note explaining the principles behind the allocation, how the process will be managed and the likely timetable for its distribution. Accompanying the guidance was a project proposal form for use by Members. (Appendix 1)
- 4.1.4 Further guidance was given at each subsequent MAG meeting and it is has remained a standard agenda item.

4.2 Distribution of the funds

- 4.2.1 All six MAGs discussed how they would approach the distribution of funds and although Officers highlighted the guidelines stipulating a minimum expenditure of £10,000 per project some MAGs had difficulty agreeing large projects which would equally benefit all wards/geographic areas. The six MAGs subsequently decided their allocation in the following manner:

Dee Valley

The £50,000 would be distributed equally between Llangollen and Corwen (including Cynwyd/Llandrillo).

Denbigh

Allocated the funds on a ward basis.

Elwy

Allocated the funds on an individual Member basis

Prestatyn

Allocated the funds on several large projects which would benefit the town as a whole.

Rhyl

Allocated the funds on a ward basis

Ruthin

Allocation on one or two large projects which would benefit the town and its hinterland.

4.2.2 Members have used the Project Proposal Form which has been presented to CET for its approval with the appropriate costing and approval of Services.

4.2.3 Appendix 2 gives an overview of the projects submitted to date. It is anticipated all of the funds will have been committed before the end of this financial year. [This appendix is presently excluded from public disclosure by virtue of paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972]

4.3 Review of the process

4.3.1 It is too early to give a comprehensive evaluation of the impact the projects have had on the community due largely to many of the projects only having received the funding over the past month or so. Although the benefits to some of the submitted schemes i.e. computers to schools is self explanatory others such as the reduced town centre car parking charges entails further analysis over a significant period. It is suggested therefore that a further report is submitted in June/July with a detailed analysis of the benefits accrued from each project.

4.3.2 From an administrative perspective the process has been time consuming for Officers particularly when several projects may have been submitted just in one ward.

4.3.3 Due to the geographic makeup of some of the MAG the guidance given to concentrating on two or three large projects has not been adopted resulting in smaller projects which will obviously have less impact on the community.

4.4 Financial streams for future community funding

Given the difficult financial situation that the Council faces it is unlikely that funds at this level will be available in future years. However the Council has begun to approve Town Plans and has allocated significant funds to support these. A report will be presented to a future Communities Scrutiny Committee to propose how these can best be co-ordinated with other funds such as community capital and revenue funds, regeneration and match funding budgets.

4.5 Match funding opportunities

- 4.5.1 Unlike the previous business plan for RDP funded projects serving rural Denbighshire, the current one makes no provision for capital grants to community projects because the application for a further Rural Key Fund was not supported by Welsh Government. The next plan would commence on 1st January 2014 and the proposed regulations as currently drafted would permit RDP funds to be used to support community projects. Whether this would mean that funds would be available for this purpose in Denbighshire would depend on the priorities agreed locally and their acceptability to the Welsh Government.
- 4.5.2 The ability of the DVSC Community Chest to support community projects is limited as it only provides small grants of up to £250.
- 4.5.3 With the completion of the facilities for the London Olympics, more Lottery funding should become available for projects elsewhere than has been the case in recent years.
- 4.5.4 The Welsh Government's Community Facilities and Activities Programme (CFAP) provides grants for community projects and is only available to community organisations and local authorities are not able to make applications to this programme.
- 4.5.5 One of the growing sources of funding for community projects in Denbighshire is the wind industry with a consultation taking place currently about arrangements for disbursement of the community benefit funding of £750,000 per annum for 25 years from 2014 arising from the Gwynt y Mor off shore wind farm and a similar arrangement has been suggested for the proposed Clocaenog on shore wind farm.

5. Trust Funds

- 5.1 The Council is the trustee for a number of funds that have been placed either with it or with predecessor bodies. Some of these funds date back pre First World War. The funds were generally given for a specific purpose or to help residents of a particular area. Given the age of some funds, they are no longer of sufficient size to generate enough income to redistribute, or the original documents have been lost and the purpose of the fund is no longer clear.

There are about 55 different funds and the total value of the funds is around £268k and they generate a few thousand pounds income each year and relatively little of this is then spent. Some of the smaller funds have not been used for a number of years.

It is clear that this resource is under used and could potentially bring benefit to the residents of Denbighshire if managed differently. The draft report attached as Appendix 3 shows proposals on how a different model could be used to manage these funds that would enable greater income to be generated and an increased likelihood of match funding. [This appendix is presently excluded

from public disclosure by virtue of paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972]

5. How does the decision contribute to the Corporate Priorities?

Allocating funds to enable the MAGs to implement projects which are a priority for their areas assists the County Council to achieve its strategic aim of “bringing the Council closer to the community”

6. What will it cost and how will it affect other services?

The total cost of providing £50,000 to be allocated by each of the six MAGs was £300, 000.

7. What consultations have been carried out?

Not applicable

8. Chief Finance Officer Statement

Not applicable

9. What risks are there and is there anything we can do to reduce them?

There is a risk of missing opportunities to secure the best use of the available match funding for the maximum benefit of the county’s communities without a strategic approach agreed by all the interested parties. The development of town and community plans will help to mitigate this risk.

10. Power to make the Decision

Section 2 of the Local Government Act 2000 gives the Council the power to do anything which it considers is likely to promote or improve the economic, social and environmental well being of the area.

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Allocation of Community Based Funding to Member Area Groups

Guidance for Proposals

The Council has allocated £50k to each of the Member Area Groups. The purpose of the funding is to support the Council's priority of 'Getting Closer to the Community'. This document provides members with guidance on the proper expenditure of those funds.

Principals

- Should support local projects
- Can be used to grant fund other bodies, spend directly on new projects, or to enhance or improve existing Council services
- Can be used for revenue or capital projects but cannot create an ongoing liability for expenditure by the Council
- Projects should be of sufficient size to make an impact in the local area – minimum expenditure of £10k per project
- Projects should be supported by evidence of their need and what benefit / outcome they will achieve for the local community
- Projects must be formally agreed by each Member Area Group. No individual member can commit expenditure. Where possible multiple projects per ward should be avoided

Process

- A Project Proposal must be completed for each proposal
- Any project must be agreed by the relevant Head of Service within the Council to ensure it is affordable and feasible
- Final approval for the projects will be given by CET to ensure the projects do not contravene any regulations etc or conflict with any other proposals. This brings an auditable independent check to ensure there are no issues with probity and that expenditure is authorised in line with the constitution.

Timetable

- The next round of Member Area Group meetings is in October and it is assumed that proposals will be put to these meetings with decisions taken either at these meetings or the following meeting early in the new year.

Member Area Group Project Proposal	
What is the name of the project?	
How much will it cost?	
Is there any match funding? If Yes state amount and source	
How long do you think it will take to deliver?	
Who will manage the project? (Council dept, external etc)	
What will the project do?	
Why do you think the project is required? What evidence do you have?	
How will this project bring the Council closer to the community?	
How will you know if it has been successful?	