

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee

13 June 2018

COMMUNITY INVESTMENT FUND

Report by Depute Chief Executive (Chief Operating Officer) (Report No. 18/196)

PURPOSE OF REPORT

This report recommends an approach for distributing the new Community Investment Fund. It asks the Committee to approve the role of Local Action Partnerships in assessing and making recommendations to the Committee on how the CIF is spent.

1. BACKGROUND/KEY ISSUES

- 1.1. In February 2018 the Council established the Community Investment Fund (CIF). This provides £1.2M to be distributed to community-led projects over 2018/19 and 2019/20. The CIF is non-recurring, which does mean that CIF funded projects must be time-limited, or able to demonstrate long-term sustainability through other funding routes including becoming self-funding.
- 1.2. The CIF builds on this Council's strong track record in community participation and empowerment including:
 - Setting up 5 Local Action Partnerships (LAPs) in 2016. The LAPs take Community Planning to locality level, with membership drawn from communities, local public services and elected members.
 - Effective tenant participation and engagement including Estates-based initiatives.
 - The 'Placecheck' approach led by Community Greenspace teams, *and*
 - Using Participatory Budgeting (PB) as a consultation tool to actively involve communities in financial decisions. So far over 7,000 people in Perth and Kinross have voted via PB, helping to decide how £220,000 of Council and Health/Social Care funding is allocated. 152 local groups have been supported through this funding.
- 1.3. The CIF also complies with new statutory duties in the Community Empowerment (Scotland) Act 2015 for Councils and other public bodies to actively involve their communities in local decision-making, including financial decisions. Scottish Ministers have powers under the Act to require Councils to do this if necessary, but as outlined above the Council is already making key steps to meet its new duties.

- 1.4 Another new statutory duty on Councils and wider Community Planning Partnerships is to identify and address stubborn inequalities in the local authority/CPP area. CPPs are required to set out action to address inequalities in Locality Plans. In Perth and Kinross, each LAP has prepared its Local Action Plan to ensure this duty is met. These Plans align with the Council's new Corporate Plan and more widely with the new Community Plan 2017/2027 which was approved in October 2017 and which sets strategic outcomes for Perth and Kinross as a whole. Local Action Plans are intended to be living documents, regularly reviewed and updated by LAPs as community priorities and needs change and evolve.
- 1.5 National and local government have jointly committed to do more to increase participation by communities in financial decision making. Scottish Government has set a target for 1% of Council budgets to be consulted on using 'Community Choice' participative methods. Participatory Budgeting has proved an effective tool for mobilising communities and there are other methods of encouraging local participatory democracy. COSLA has endorsed this target.
- 1.6 Initiatives like the 1% target and Participatory Budgeting need to be viewed in the wider strategic context which is about a significant shift to participative democracy in Scotland, alongside representative democracy. Local government along with wider public service organisations must respond to this agenda. COSLA and Scottish Government launched a joint review of local decision making in late 2017 and the current consultative phase of this is now underway: <https://beta.gov.scot/democracy-matters>.
- 1.7 The CIF is therefore a major opportunity to demonstrate this Council's commitment to community empowerment. But it is significantly different from how Councils have traditionally made budget decisions. So arrangements for managing the CIF need to be explicit about how the Council will:
- Ensure the widest possible participation by local communities in CIF decisions. This will not be perfect initially, but new ways of working including PB are essential to ensure decisions are not led by vocal minorities
 - Respect and reflect the role of Councillors, as democratically elected representatives of their communities, in CIF decisions, *and*
 - Reflect the legal and financial duties of the Council, set out in Standing Orders and the Schemes of Administration and Delegation.
- 1.8 The remainder of this report sets out:
- The recommended approach to managing and distributing the CIF, whereby Strategic Policy and Resources Committee would approve grants from the CIF on the basis of recommendations from the LAP.

- The reasons why other options have been discounted- either because they do not comply with the Council's legal and financial duties or they are not compliant with the Council's new statutory duties under the Community Empowerment Act.
- The key principles which LAPs will be required to follow when consulting with communities to ensure widest possible participation
- Proposals for evaluating and scrutinising the impact of the CIF and the management role of the CIF.

2. PROPOSALS

2.1 LAPs are the recommended managing bodies for the CIF because:

- LAPs cover the entire Perth and Kinross area.
- LAPs have Local Action Plans in place (see 1.4) which provide a clear framework of local priorities and needs against which bids for the CIF can be assessed.
- LAPs are still developing but have proved effective in representing a wider range of community perspectives than was previously possible. Councillors, community representatives and local public service organisations sit collegiately around the LAP table.
- LAPs have already demonstrated their ability to allocate local funds effectively through the 2018 Participatory Budgeting round which significantly increased community participation in financial decision making.
- The LAP structure allows flexibility. Funding can be allocated to projects at ward level or across the whole LAP geography depending on local priorities and needs.

Equivalent structures to the LAPs are emerging and working well elsewhere, for example in Dundee where Dundee Decides:

<https://www.dundeedecides.org/> has been established to allocate funding at ward level across the city.

2.2 Key reasons which also support the LAP as the most appropriate managing bodies for the CIF are:

- Other local community organisations, including Community Councils, do not cover the whole Perth and Kinross area and the appetite and capacity to manage the CIF process varies. This creates a risk of a 'postcode lottery' in how the CIF is distributed.
- Local elected members are fundamental in understanding and reflecting the priorities and needs of their communities. This proposal supports

Councillors in carrying out their democratic role whilst ensuring the new statutory duties in relation to community empowerment are met.

2.3 There are some risks associated with the recommendation to use LAPs as the managing bodies for the CIF:

- LAPs are still developing. Their continuing progress in engaging the widest possible range of community views is critical for success and this will be kept under review.
- There may be some inconsistency of approach in making decisions across the 5 LAPs.
- Methods for ensuring the widest possible participation by communities need to be transparent and practical, particularly in rural areas where online methods may not be effective.

2.4 In the first year of operating the CIF these risks can be mitigated as follows.

2.5 LAPs should be asked to make CIF recommendations to Strategic Policy and Resources (SP&R) Committee which would then approve final funding decisions. This can be re-assessed for 2019/20 taking into account how LAPs have continued to broaden community participation in 2018/19.

2.6 To carry out the detailed grant assessments for Local Action Partnerships, it is recommended that each LAP is supported by small Grants Assessment Panels covering each ward area within the LAP. These Panels would be responsible for providing grant recommendations for each ward to the LAP, which would in turn make overall grant recommendations for the LAP area to the SP&R Committee.

2.7 It is proposed that each Grant Panel is chaired by a ward elected member with officer support to ensure consistency in assessing applications. Community representation on the Grant Panels would be drawn from community organisations already represented on the LAP but should include Community Councils where these exist in the ward area plus other key community representative bodies such as Parent Councils, Local Development Trusts or Tenant Groups. This will ensure a broad mix of community voices alongside the democratically elected role of Councillors. These community bodies are already represented on LAPs and the demand on community representatives' time to attend LAPs, participate in Grant Panels and carry out wider roles may be significant. This will be kept under review as part of the evaluation of the CIF in its first year of operation, so that improved ways of working which minimise bureaucracy whilst ensuring the widest possible community participation can be introduced in 2019/20 if required.

2.8 In considering the LAP recommendations, SP&R Committee will want to assure itself that key guiding criteria (see below) have been followed by the

LAP, and that demonstrable efforts have been made by the LAP to widen community participation in decision-making through PB and other mechanisms including (for example) social media, local consultation events, newsletters, Placecheck etc.

- 2.9 The type and range of applications for the CIF which come forward will provide key evidence to inform core Council service planning and improvement. Projects which are core Council business (for example repair and maintenance of community facilities owned by the Council) should not be funded through the CIF. But projects which add value to core Council investment should be considered – for example, community management of a recently refurbished local facility to extend opening hours and increase use by more local people.
- 2.10 Equally, the type and range of applications for the CIF will enable Local Action Plans to be strengthened and updated as time goes on. A high number of CIF applications from an LAP area for a particular initiative (for example, supporting local young people into self-employment to start) may indicate a new or emerging priority not reflected in the current Local Action Plan, which the LAP needs to consider and respond to.
- 2.11 A timetable for SP&R Committee to consider tranches of recommended CIF projects will be established by the end of June 2018. This is recommended rather than a rolling grants scheme because a high volume of applications is anticipated and should help to minimise scheme administration.
- 2.12 LAPs will require flexibility to reflect specific local issues including changing circumstances in reaching CIF recommendations. However they should all be required to follow three key guiding criteria in assessing CIF project proposals:
- **Why?** - does the project align with local priorities and needs as set out in the Local Action Plan?
 - **What?** -: will the project do to make a positive impact on the locality, including tackling inequality?
 - **How?** - will the project be delivered, build capacity and (where appropriate) be sustainable in the longer term?
- 2.13 Some criteria will also be required ensure participation and engagement methods are transparent and a range of methods have been used which best meet the needs of communities within the LAP area.
- 2.14 Support to the LAPs will be provided by the Stronger Communities Team which will:
- Administer CIF requests, process payments and monitoring reports.

- Ensure that applicants meet core qualifying requirements in terms of their purpose, financial viability etc.
- Support the LAPs in promoting and advocating the CIF in communities.
- Support the Grants Assessment Group in each LAP ensuring transparency and probity in how applicants are assessed.
- Prepare reports and recommendations for the SP&R Committee.

2.15 As stated in the introduction, the CIF is an opportunity to involve more local people and communities in decisions about how Council funding is distributed and demonstrate progress towards new statutory duties created by the Community Empowerment (Scotland) Act. It is a new way of working, and a strong focus on evaluating the effectiveness and impact of the CIF is therefore also recommended. This should be commissioned by the Council at the end of 2018 and completed by March 2019. It can be used to inform any recommended change and improvement to how the CIF operates from 2019/20 onwards, for consideration by Strategic Policy and Resources Committee. In addition, learning from the CIF will also inform service planning and improvement of core Council and other public services, and support the ongoing development and update of Local Action Plans.

2.16 In addition to the proposed role of Strategic Policy and Resources Committee, Housing and Communities Committee may also want to ask LAP Chairs and Leads to contribute to an examination of the effectiveness of the CIF and, in particular, the role of the LAP in building wide community participation in financial decision making. This could take place on a 6 monthly basis.

3. RECOMMENDATIONS

3.1 It is recommended that the Committee

- Notes the background to establishing the Community Investment Fund.
- Notes the rationale for recommending Local Action Partnerships as the managing bodies for the CIF set out in para 2.1-2.3.
- Approves the proposed role of the Local Action Partnerships, advised by Grant Assessment Panels at ward level, in making recommendations to the Committee on distribution of the CIF.
- Approves the recommended evaluation arrangements for the CIF set out in para 2.11-12.
- Instructs the Depute Chief Executive (Chief Operating Officer) to bring an evaluation report and any improvement recommendations to Strategic Policy and Resources Committee by March 2019.

Author

Name	Designation	Contact Details
David Stokoe	Service Manager, Communities	Ext. 476375

Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	21 May 2018

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan

- 1.1 Enhanced procurement capability contributes to the delivery of the Perth and Kinross Community Plan in terms of the following priorities:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for future generations

Corporate Plan

- 1.2 Enhanced procurement capability contributes to the delivery of the Perth and Kinross Corporate Plan in terms of the following priorities:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

2. Resource Implications

Financial

- 2.1 Agreeing the allocation of £1.2M Community Investment Fund in 18/19 and 19/20.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

Internal

- 4.1 There has been consultation with Finance Department, Community Planning Team and the Executive Officer Team.

External

- 4.2 No external consultation was required in the preparation of this report. Consultation undertaken in the preparation of the annual report is noted separately in the body of the documents.

5. Communication

- 5.1 Once the preferred option is agreed a communication plan will be put in place to promote the Community Investment Fund.

6. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

7. APPENDICES

None