

**Report of: Executive Member for Community Development**

Meeting of:	Date	Agenda item	Ward(s)
Voluntary and Community Sector Committee	30 September 2014		All

<b>Delete as appropriate</b>		Non-exempt
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**SUBJECT: LOCAL INITIATIVES FUND**

**1. Synopsis**

- 1.1 For many years Islington Council has provided support to voluntary and community sector organisations in the borough, including core grants, funding for advice services, discretionary rate relief, funding for local initiatives and community chest small grants. Despite having to implement an unprecedented scale of overall spending cuts in the Council's budget from 2011/12 onwards, the Council agreed growth of £1m per year to the voluntary and community sector to mitigate the impacts of funding cuts to the sector and to reflect the priorities of the administration elected in 2010 and its ambitions for fairness. It established a new single pot, the Islington Community Fund, totalling £3,435,000 per year. The Fund will remain in place for four years until 2015 and is intended to protect vital frontline services in the most deprived areas of the borough.
- 1.2 An important element of the Islington Community Fund is the Local Initiatives Fund which has a funding allocation of £320,000 per year. Ward Partnerships have been established to strengthen the role of ward councillors and to create a mechanism for a more focused ward based approach across the borough. Each ward has £20,000 per year to spend on local schemes. As Ward Partnerships are not formally constituted committees of the Council, it is not legally possible for ward councillors to allocate funding. Instead it was agreed at Executive in March 2011 that they should make recommendations to the Voluntary and Community Sector Committee about the allocation of the Local Initiatives Fund. This report outlines the process for administering the Local Initiatives Fund and sets out the latest proposals submitted by ward councillors. It also includes a recommendation to introduce a minimum award of £250 per project from 1 October 2014.

**2. Recommendations**

- 2.1 To consider the new proposals submitted by ward councillors as set out in Appendix A and to agree these proposals in principle subject to the Assistant Chief Executive (Strategy and Community Partnerships) being satisfied that the necessary checks have been made and any other issues resolved.
- 2.2 To agree to introduce a minimum award of £250 per project from 1 October 2014, as set out at paragraph 3.9.
- 2.3 To note the amendments to the ward budgets resulting from project funding being returned. The amendments are included in the budget summary in Appendix A.

### **3. Background**

- 3.1 On 17 March 2011 the Executive agreed to strengthen the role of ward councillors by building on existing 'neighbourhood arrangements' for some wards and establishing a mechanism for a more focussed ward based approach throughout the borough. From 2011-12 onwards, the new Ward Partnership arrangements replaced the previous Area Committees which were abolished at Council on 31 March 2011.
- 3.2 A report relating to the Islington Community Fund was agreed by Executive on 17 March 2011. This proposed the creation of the Local Initiatives Fund to replace the existing £320,000 of Area Committee Budgets from 2011-12 onwards, with each ward having an allocation of £20,000 per year. Council subsequently agreed at its meeting on 31 March 2011 to reallocate the £320,000 comprising the Area Committee budget to the Local Initiatives Fund.
- 3.3 As Ward Partnerships are not formally constituted committees of the Council, it is not legally possible for ward councillors to allocate funding so an alternative mechanism was required to allocate the budgets previously managed by Area Committees.
- 3.4 At Executive in March 2011 it was agreed that a Voluntary and Community Sector (VCS) Committee of the Executive be set up to oversee matters relating to Council engagement with the voluntary and community sector, including decisions around allocation of the Islington Community Fund. This committee enables Executive Members to steer funding towards those organisations and types of services they feel are of most value in tackling priorities around employment, crime, housing and in enhancing the role of ward members in their local areas.
- 3.5 The Terms of Reference for the VCS Committee include 'To be responsible for the allocation of the Islington Community Fund including...allocating the Local Initiatives Fund having regard to the recommendations of the relevant ward members/relevant ward partnership or neighbourhood group and on the basis that the funding will be allocated equally among the 16 wards making up the Council's area'.
- 3.6 The Local Initiatives Fund enables councillors to respond directly to priorities in their ward that lie outside of the current mainstream funding programmes and might not otherwise receive funding. They enable councillors to suggest improvements to local services or facilities, which would benefit from financial assistance.
- 3.7 In April 2011, the VCS Committee agreed that each ward councillor be given a notional allocation of the Local Initiatives Fund budget (i.e. divided equally between the councillors elected for each ward). Councillors can then make recommendations as to how that money should be spent although the final decision (which used to sit with the Area Committees) is now taken by the VCS Committee. From 2011-12 onwards, £20,000 is available to each ward therefore the notional allocation for each councillor is £6,666.
- 3.8 The Third Sector Partnerships team in Strategy and Community Partnerships manages the Local Initiatives Fund budget in liaison with ward councillors and the VCS Committee. The team has a lead role in managing the Community Fund and incorporates this into other similar work. Increasingly the team is making links with other small grant programmes in Islington to ensure that funding is fairly spread across the borough and provides good value for money.
- 3.9 The VCS Committee approves around 200 project proposals per year from the Local Initiatives Fund. A very small proportion of these, approximately 5% of the total, are for awards of £200 or less. It is not cost effective for the council to administer grants of this size and it is therefore proposed to introduce a minimum award of £250 per project from 1 October 2014. Officers will update guidance for Local Initiatives Fund proposals and will include suggestions for developing more substantive projects at the lower end of awards, for example by working in partnership with other local groups or by expanding the reach of activities and events.

## **4. Implications**

### **4.1 Financial implications:**

The £3,435,000 of Council funding referred to in this report, of which £320,000 for Local Initiatives Fund forms a part, has been created from amalgamating existing budgets within Environment and Regeneration and £1m of growth funding which has been bid for as part of the financial planning process.

### **4.2 Legal Implications:**

The general power of competence pursuant to Section 1 of the Localism Act 2011 which came into force on 6 April 2012 provides the Council with very broad powers 'to do anything that individuals generally may do'. This covers the power to give grants to voluntary and community sector organisations as proposed in this report and includes anything which it considers is likely to achieve the promotion or improvement of the economic, social or environmental well-being of the whole or part of its area or all or any of the persons resident or present in that area. The provision of grants for the voluntary and community sector is likely to promote the social and economic well being of Islington's residents. In exercising the general power of competence regard must be had to the Council's Sustainable Community Strategy which has "improving access for all" as one of its objectives.

The Council is under a fiduciary duty to ensure that its resources are used appropriately. Where the money is allocated to outside bodies, the requirements of the procurement rules may apply. In any event it will be important to maintain current practice of ensuring that the money will be used for the purposes for which it is allocated and that individual members are made aware of the responsibility they bear in making recommendations in relation to specific groups.

### **4.3 Environmental Implications:**

When considering proposals the Executive will take relevant environmental implications into account.

### **4.4 Resident Impact Assessment:**

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

When considering proposals the Executive will take relevant equalities implications into account. The recommendations in this report directly respond to concerns highlighted in the impact assessments of (a) the loss of Islington Strategic Partnership funding; and (b) the proposals for achieving savings across the Council. A further Equality Impact Assessment (EIA) was completed to assess the impact of the new Islington Community Fund on different groups of residents. The impact was found to be mainly positive. Where actual or potential impacts were identified, further actions were proposed to mitigate these. A copy of the EIA was published as an appendix to the Islington Community Fund report to Executive Committee on 17 March 2011. The proposed Local Initiatives Fund allocations will not make any material difference to the findings of these earlier impact assessments.

## **5. Conclusion and reasons for recommendations**

5.1 The recommendations in this report will help to develop and sustain a healthy voluntary and community sector in Islington. The Local Initiatives Fund provides an opportunity for the Council to fund small projects for which funding through other channels is unavailable. It is important that processes are clear and that they enable efficient and effective allocation of the available budget.

## Appendices

### Appendix A: Local Initiatives Fund Proposals

Final report clearance:

**Signed by:**



Executive Member for Community Development

22 September 2014

**Received by:**

Head of Democratic Services

Date

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