
ARGYLL AND BUTE COUNCIL

Council

Community Services

28 September 2017

Supporting Communities Fund – Participatory Budgeting

1.0 EXECUTIVE SUMMARY

The Supporting Communities Fund is offered by the council to third sector organisations once a year. This fund has been subject to recent changes in both the amount of funding offered to communities and the way in which this is administered. The recent policy context of Community Empowerment (Scotland) Act, which promotes community empowerment in financial decision making, and the Scottish Government ask of 1% of Local Authority budgets to be distributed by participatory budgeting has influenced a direction of change for the Supporting Communities Fund. Further to this, the Council's Budget Motion in February 2016 agreed that appropriate arrangements be put in place to promote and develop a participatory budgeting scheme for Area Committees.

Area Committees, which currently meet to decide on the allocations of the funds to community groups, have a new meeting cycle which is problematic for the current funding management arrangements. The current context presents a need to decide how the fund is to be allocated in 2018/19 and future years. Any change towards participatory budgeting would require a lead in period starting from October 2017.

Options for managing the future of the fund within this overall context have been considered and are presented in this paper. It is recommended that Council support a distribution of the Supporting Communities Fund through pilot project with participatory budgeting in 2018/19. The investment of this approach has wider benefits for the future of engaging with communities in funding distribution including informing the Council's approach for decision making for its budget.

Supporting Communities Fund – Participatory Budgeting

2.0 INTRODUCTION

2.1 The Supporting Communities Fund, previously known as the Third Sector Grants Fund, is a long standing fund allocated by the Council to communities across Argyll and Bute. This report considers future arrangements for management and distribution of the fund within the current legislative context which requires local authorities to consider how best to empower communities in financial decision making.

3.0 RECOMMENDATIONS

It is recommended that the Council:

- 3.1 agree the proposal that the Supporting Communities Fund is allocated through Participatory Budgeting as a pilot project in 2018/19.
- 3.2 note that the proposal has potential to inform how the council engages with its communities and makes decisions on its future budget through a Participatory Budgeting approach.
- 3.3 note that the proposal empowers communities in decision making, assisting Area Committees to make decisions on the basis of participatory budgeting.
- 3.4 agree changes in the distribution of grants within a PB pilot to be:
 - 3.4.1 Not applying the 20% reduction for repeat applicants.
 - 3.4.2 100% funding of projects up to maximum of £2,500.

4.0 DETAIL

Current Agreement to distribute Supporting Communities Fund

4.1 The Supporting Communities Fund for 2017/18 is a total of £112,000 split equally between the four administrative areas (plus any returning funds unspent by community groups to that relevant area). The funding was allocated to community groups by Area Committees in April 2017 meetings. The annual distribution in April supports a full financial year for groups to undertake their project spend, and also supports many groups who apply for funding to run summer activities. Recommendations are made to the Area Committees by the Council's Community Development Officer following an application scoring

process and financial checks where applicable.

- 4.2 In 2018/19 the Supporting Communities Fund available is expected to be a total of £98,000, split equally across the four administrative areas. 2018/19 is the final of three years of reductions of the fund agreed as part of the council's budget savings in February 2016.
- 4.3 Taking consideration of the reduction of funds, the work required of the Community Development Team, and the context of greater community empowerment in decision making, a report to Policy and Resources in 2016 agreed that the progressive steps to manage the fund in future be:
- 2017/18 allocation – one round of funds (April 2017), instead of two (April and August). This has been undertaken.
 - 2018/19 allocation – set up of a panel to assess applications and take recommendations to Area Committees.
 - Further to 2018/19 – consider participatory budgeting following the undertaking of a pilot project.
- 4.4 In May 2017 the council completed a Participatory Budgeting (PB) pilot project, using an online digital platform. 889 individuals in Argyll and Bute voted to allocate funding to the projects(s) of their choice within a set budget. It was a successful pilot, managed by the Community Planning and Development Team involving others from ICT, Communications and Finance. There is potential to go straight to using this method for Supporting Communities Fund in 2018/19 rather than waiting until the following year. A similar working group would be established to take this forward.

The case for Participatory Budgeting

- 4.5 The Scottish Government has a request for councils to provide at least 1% of their budget for distribution through Community Choices/ Participatory Budgeting. The Council's Budget Motion in February 2016 agreed that appropriate arrangements be put in place to promote and develop a participatory budgeting scheme for Area Committees.
- 4.6 A pilot undertaken in 2016/17 for a one-off fund available Argyll and Bute wide to promote and enhance Gaelic was successful. It was the only fully digital project of its kind in Scotland. There was a high level of participation and positive feedback from participants. There is a Scottish Government support package available to Argyll and Bute this year to further develop our Participatory Budgeting approach. It is not guaranteed this would be available in future years.
- 4.7 It is also opportune to develop our use of PB this year as the Area Committee dates in 2018 create some challenges to the distribution of the grants via the traditional method due to their timing. A PB approach would maintain the grant application timescales for communities, whilst still allowing the Area Committees to sign off on the criteria for grants, agree the projects going forward to public vote, promote the public vote and maintain oversight of the outcome through end of project monitoring reporting.
- 4.8 Many of the existing rules of the fund would still apply, see attached table for

details, with the exception of:

- 20% reduction for repeat applicants would not be applied, as this is difficult to implement.
- Maximum award be 100% of project costs (rather than 50%) to a maximum of £2,500 (rather than £4,000). This is due to the reduction in the total amount available (£10,500 less per area following three years of savings), and the 50% of funding preventing small start-up groups applying.

4.9 **Benefits, Considerations and Cost**

- Not an interim change so less confusion to communities with one full change of approach, maintaining reputation of the fund.
- Builds on the pilot project to inform ways in which participatory budgeting can work in Argyll and Bute.
- Potential for more money to supplement the funds available to communities through further Scottish Government funding. An application is pending.
- Allows for innovation at the idea stage and for community groups to collaborate with each other from the outset.
- Empowers individuals in communities to make financial decisions impacting their community.

The original pilot project results highlighted:

- Safety of voting online – build in audit process with the digital package eliminates risk of duplicate voting.
 - Voting is not determined by area – evidence that voters did not vote solely based on the area they live in, alleviates concerns on the inequality of population sizes within an administrative area determining projects.
 - High participation (889 voters)
 - Good behavior online when projects were at ‘discussion stage’
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- The costs for an extended pilot project this year can be met from an offer of Government funded support and existing budget.
 - A dedicated project team and working group, led by Community Planning and Community Development, requires support from ICT, Finance and Communications and is open to others to extend learning cross-council and with partners.
 - For future years the surplus ongoing cost to be met is expected to be around £4,000 and we would look to meet this from potential income generation through others use of the voting site and service reconfiguration.

5.0 CONCLUSION

- 5.1 There is a need to decide how best to allocate the Supporting Communities Fund for 2018/19. This requires a decision prior to October 2017. The implications of the change to Area Committee meeting dates in 2018 and the successful PB pilot project indicate that a move to deciding the allocation of the Supporting Communities Fund in 2018 through a PB pilot project would be beneficial. There

is a need for political agreement to these changes. The costs to run the funding allocation by PB can be met by funding from the Scottish Government and existing budget for this year. Future years funding will look at the potential for income generation and service reconfiguration to cover ongoing costs.

6.0 IMPLICATIONS

- 6.1 Policy – requires a policy change in the council’s distribution of Supporting Communities Fund
- 6.2 Financial - Costs covered in first year through support package available from Scottish Government and existing budget. Ongoing costs estimated at £4,000 to be met through income generation and service reconfiguration.
- 6.3 Legal - No legal implications arising from this report
- 6.4 HR - No HR implications arising from this report
- 6.5 Equalities - None arising from this report
- 6.6 Risk - Fund is well regarded by community and future changes need to be considerate of reputation
- 6.7 Customer Service None at this stage.

Attachments

Table – Consideration of changes to grants distribution process

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Report prepared 18th September 2017

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Consideration of changes to grants distribution process

The table below summarises the elements of the Supporting Communities Grant process and indicates where elements remain the same, or change within the pilot project using Participatory Budgeting.

Current Grant Rules	Proposal under PB	Reason
20% reduction on applicants reapplying where there is no new developmental aspect to the project	20% would not be applied.	It is difficult to implement this. Voting from the public will determine whether projects are funded year on year at same project value.
Maximum amount awarded: £4,000	Maximum amount awarded: £2,500	The total fund available to each area has reduced over the past three years (up to 2018/19) by a total of £10,500 within each area. At the same time demand for the fund has increased. A reduced and reasonable maximum amount is recommended at £2,500.
Fund up to 50% of project costs, with other 50% match funded	Fund 100% of the project	The funding of 50% prevents small start-up community groups applying.
Those able to apply – constituted not for profit community organisations, community councils and parent councils.	Those able to apply – constituted not for profit community organisations, community councils and parent councils.	No change
Application to be completed, with supporting information	Application to be completed, with supporting information	No change
Scoring of applications	Scoring of applicants	No change. As part of the screening process, and to ensure quality of project going forward to vote, the Community Planning and Community Development team would continue its role to score applications.
Check the reserves of community groups	Check the reserves of community groups	No change. This would continue as part of the financial checks.
Do not fund capital projects – purchasing assets etc.	Do not fund capital projects – purchasing assets etc.	No change

Current Grant Rules	Proposal under PB	Reason
Contracts issued	Contracts issued	No change
Project spend is within financial year	Project spend is within financial year	No change
Require end of project monitoring, and return of funds if not spent. Information on this taken to Area Committee annually for scrutiny.	Require end of project monitoring, and return of funds if not spent. Information on this taken to Area Committee annually for scrutiny.	No change
Advertise the grants through mailing lists, local press, social media, elected members	Larger advertising and marketing campaign	A need for widespread communication and clarity about the change. In the pilot project this is funded by the Scottish Government funding.