
REVIEW OF LOCALITY BID FUND, COMMUNITY FUND AND PARTICIPATORY BUDGETING

Report by Service Director of Customer & Communities

SCOTTISH BORDERS COUNCIL

27 August 2020

1 PURPOSE AND SUMMARY

- 1.1 This report presents the analysis and evaluation of versions 1 and 2 of the Localities Bid Fund, Community Fund and participatory budgeting.**
- 1.2 The report proposes a number of immediate changes to the Community Fund to take effect from 1 September 2020, as well as outlining the next steps for further engagement with communities to develop the Community Fund and participatory budgeting
- 1.3 The Council is continuing to respond to the current Covid-19 pandemic and working with our communities through the Community Assistance Hubs. The learning from this work should be taken into account in these next steps and how ongoing arrangements evolve.

2 RECOMMENDATIONS

2.1 I recommend that the Council:-

- a) Notes the evaluation of versions 1 and 2 of the Localities Bid Fund as detailed in Appendices 1 and 2 and Section 4 of this report.**
- b) Agrees to continue to ring fence grants made to Community Councils, Village Halls and Festival Grants within the Community Fund for 2020/21, with payments for Festival Grants only made to cover actual expenditure on public liability and insurance expenditure.**
- c) Agrees to the changes to the Community Fund highlighted in Section 5 of this report, and detailed in Appendix 3, to come into effect on 1 September 2020, with a review after one year of operation.**
- d) Agrees to request that each Area Partnership establishes at its next meeting, a mechanism to review the findings of the Scottish**

Community Development Centre (SCDC) Report on the Community Fund and makes recommendations for further public consultation within each locality.

- e) Agrees that proposals are developed for mainstream Participatory Budgeting within core budgets, and that these proposals are considered at part of the wider budget discussions through the financial planning process for 2021/22.**
- f) Agrees to receive a further report from the Service Director Customer & Communities on the outcome of the Area Partnerships findings and the next steps thereafter.**

3 BACKGROUND:

- 3.1 As part of a wider response to the Community Empowerment (Scotland) Act 2015, Council agreed at its meeting on 9 February 2017 that £500k be allocated for the purpose of participatory budgeting to pilot the new Localities Bid Fund.
- 3.2 At its meeting on 28 September 2017, Council further agreed that a report on the evaluation of Localities Bid Fund 1 and 2 pilot would be brought to Council. As requested by Council, this report gives details of the analysis of both versions of the Localities Bid Fund (1 and 2) as changes were agreed to the fund based on feedback from the first version.
- 3.2 Council also agreed to carry out an independent review of the Community Fund and at its meeting on 25 June 2020 the Council discussed, and agreed to note the results, findings and subsequent recommendations of the report produced by the Scottish Community Development Centre (SCDC) on the review of the Community Fund, as well as Area Partnerships which is the subject of a separate report.
- 3.4 This report also proposes the next steps in developing the Community Fund and the wider participatory budgeting model.

4 ANALYSIS AND FINDINGS – LOCALITIES BID FUND 1 and 2

- 4.1 The analysis and survey feedback of Localities Bid Fund 1 (181 responses) and Localities Bid Fund 2 (135 responses) are detailed in Appendices 1 and 2.
- 4.2 There was a great deal of learning from the first round of the pilot, and a number of changes implemented for the second round launched in June 2018. These included increasing the membership of the Assessment Panel, pre-registration and mandatory cast of votes.
- 4.3 Overall, there was a high level of dissatisfaction within communities and projects regarding the Localities Bid Fund 1 and 2 processes. Due to the high level of resources required and the intensive support to build capacity within our communities, it would be challenging to sustain a participatory budgeting fund of this size and type in future with the staff resources currently available. These challenges mirror those identified across Scotland, both in the national report, and in discussions within CoSLA. The potential of participatory budgeting is clear, but requires significant improvement and focus on supporting participation in decision making at local level.

5 SCDC REVIEW FINDINGS – COMMUNITY FUND

- 5.1 The recommendations made by SCDC in respect of the Community Fund highlight the need for clarity between the Community Fund and the Council's participatory budgeting process (initially Localities Bid Fund 1 and 2). Most responses found the application process, administration of

the Community Fund, criteria of the fund and support from officers to be positive.

5.2 However, improved transparency of the grant making process, including decision making, along with publicity about which grants are available is needed.

5.3 The recommendation made by SCDC in regards to Village Halls, Community Council and Festival Grants is that:

“Further integration of the Village Halls and Community Council grants into the Community Fund should not proceed at this time. This is due to a widely held belief that aspects of the current systems are working reasonably well and that full integration was the “wrong solution” at this time and requires further discussion with communities”.

5.4 The results of the consultation, and the recommendations made by SCDC, emphasise a desire to see the community council, local festival and village hall support grants remain ring-fenced within the overall Community Fund.

6 COMMUNITY FUND – PROPOSED CHANGES FROM 1 SEPTEMBER 2020

6.1 With regards to the Community Fund, based on feedback from Area Partnerships, Elected Members and SCDC’s recommendations, a number of immediate changes are being proposed to the Community Fund to take effect from 01 September 2020 (Appendix 3). These proposed changes reflect the local nature of the funding, provide further flexibility and enhance the role of Area Partnerships, through empowerment, to decide the priorities for the funding:

1. Receive multiple applications per year. Each group/applicant may submit:
 - a. Up to £1,500 – 2 Fast Track applications per year, or
 - b. Up to £5,000 – constituted and un-constituted, 2 applications per year
 - c. Up to £10,00 – constituted only, 1 application per year + 1 from another category
 - d. Up to £30,000 – exceptional circumstances – constituted groups, 1 application per year + 1 from another category
2. Include funding exceptional projects over £30k, capacity building projects, wages, salaries and fees on a short term basis of 1 year, facilitation of participatory budgeting – in doing this, applications must be for new, innovative community driven projects and not a like for like replacement for Council services that have been withdrawn due to efficiencies or Best Value concerns and must demonstrate sustainability.
3. The application process for funding will be simplified including evaluation requirements featuring in the application form.

4. Agree that these arrangements will be piloted and reviewed after one year

Each Area Partnership may also:

- a) Allocate their Fund to different schemes, priorities and timescales, such as a Quality of Life/Member Priority Fund, VE Celebration Fund, or to a third party to undertake participatory budgeting on their behalf.
- b) Use their Community Fund as a match funding mechanism if required.

- 6.2 Subject to outstanding applications being approved and the Festival Grants not being awarded for 2020/21, the remaining Community Fund budget for 2020/21 will be in the region of £143k. Based on this figure, the allocations for each Area Partnership based on population is shown at table 2 below:

	£
Base Budget 2020/21	471,000
Community Councils	52,926
Village Halls	50,074
Outstanding Applications	224,300
Balance	143,700

Table 1

Area	Population	£
Berwickshire	21,326	26,644
Cheviot	17,942	22,416
Eildon	35,330	44,139
T&L	19,477	24,334
Tweeddale	20,945	26,168
Total	115,020	143,700

Table 2

7 COMMUNITY FUND – FURTHER DEVELOPMENT AND NEXT STEPS

- 7.1 In taking cognisance of the findings of the SCDC Report and the evaluation of Localities Bid Fund 1 & 2, we sought views from Community Councils (including the Scottish Borders Community Councils' Network) and the Third Sector Interface in the preparation of this report. Due to the tight timescales involved in bringing a report back to Council in two months, it was not possible to undertake wider consultation in a meaningful way.

7.2 With regards to the longer term arrangements for the Community Fund, and taking into account the recommendations of the SCDC report, the following actions are proposed

7.2.1 To share the SCDC Report and the analysis of Localities Bid Fund 1 & 2 as widely as possible with stakeholders in the next two months, seeking thoughts/comments/ideas on how we can progress the findings of the report in partnership.

7.2.2 Feedback from this wider consultation to be presented at the November Area Partnerships (or as soon as possible thereafter given the current situation).

7.2.3 That each Area Partnership, at their next meeting, establish a mechanism to review the findings and make recommendations at a local level for further public consultation within each locality.

Examples of recommendations could include that each Area Partnership:

- a) Agrees their priorities for their local fund based on Locality Plans, Health & Social Care Plans etc.:
- b) Sets the criteria, assessment and decision making in consultation with communities process to ensure involvement, clarity and transparency;
- c) Sets up an Funding Assessment Panel that includes community representation, officers and the Chair of each Area Partnership:
- d) Agrees on participatory budgeting projects being undertaken at a local level by third parties, and agrees as to how marketing and promotion of the Community Fund should be undertaken to ensure communities are aware of what is available.
- e) Use their Community Fund as a match funding mechanism to maximise other funding opportunities.

7.2.4 Further public consultation to be carried out on the recommendations agreed by each Area Partnership and that Council will receive a further report from the Service Director Customer & Communities on the outcome of the Area Partnerships findings and the next steps thereafter.

8 PARTICIPATORY BUDGETING – FURTHER DEVELOPMENT

8.1 May 2019 saw the publication of the Scottish Government’s Evaluation of Participatory Budgeting (PB) Activity in Scotland 2016-18. This report reflects the process of delivering PB through local authorities at the same time as policy was continuing to develop. The full report is available at: <https://www.gov.scot/publications/evaluation-participatory-budgeting-activity-scotland-2016-2018/>.

8.2 The early iterations of PB as a small grants process have been very varied in the way that they have been presented to communities and the extent to which communities have been engaged in decision making.

Whilst pilots such as the Localities Bid Fund have been useful, it is not clear yet as to the benefits of transactional participatory budgeting.

8.3 The recommendation from SCDC states:

“There is a need to fully clarify the relationships between the Community Fund, and plans for participatory budgeting, in light of impending legislative targets for this. This will require:

- Staff to become familiar with the PB Charter which sets out seven key features of what a fair and high quality PB process should look like
- A strategic framework for PB within the Council in line with recent Scottish Government research, and
- Any PB process should ensure that minority and rural communities are integrated into the process through communication and out-reach work to equitably include them in PB.”

8.4 In line with these recommendations, and in consideration of the Evaluation of Participatory Budgeting Activity in Scotland 2016 – 2018 report, it is recommended that work now continues to develop proposals to embed the 1% CoSLA mainstream participatory budgeting agreement. These proposals will outline which elements of the Council’s budget will be subject to PB and how we will increase community participation in service design, budgeting and priority setting. These proposals will take in to account the feedback from Area Partnerships and will form part of the wider budget discussions through the 2021/22 financial planning process.

8.5. Participatory budgeting at a grass roots level, using a bottom up approach, may also be undertaken within each Area Partnership utilising the Community Fund if desired and feedback from each Area Partnership will shape the future PB model.

9 IMPLICATIONS

9.1 Financial

- (a) The recommendations made in this report assume that the Community Fund (including the previous Quality of Life, Community Grant Scheme, Community Council, and Village Hall) will be maintained at the current level for 2020/21.
- (b) Staff resources will be required to support each of the Area Partnerships in the work being asked of them in relation to the future arrangements of the Community Fund, and participatory budgeting at a local level.

9.2 Risk and Mitigations

- (a) Not acting upon the findings in the SCDC Report, and the evaluation of Localities Bid Fund 1 & 2, would have a negative impact on the Area Partnerships and the Council’s reputation as an organisation that listens to the community.

- (b) Area Partnerships have not met for some time due to the Covid-19 pandemic. Arrangements are being considered on how to best facilitate the next round of meetings currently scheduled to take place in November.

9.3 **Integrated Impact Assessment**

- (a) An Integrated Impact Assessment has been carried out on the proposals contained in this report and it is anticipated that there will be no negative impacts under either the Equality Duty or the Fairer Scotland Duty.
- (b) It is anticipated that the ongoing effects of the proposals will help to eliminate discrimination, help to promote equality of opportunity and foster good relations with those who have equality characteristics as the way in which the recommendations are addressed will be chosen and agreed by the membership of the Area Partnership and the wider community. The recommendations and guidance will be working to avoid exclusion, tackle inequality and empower local communities.
- (c) The aim is for the evolution of the Community Fund and local participatory budgeting to be done at grass roots level. In order for this to happen, there can be no predetermined shape for the work to take, but rather the community representatives will be empowered to do this. Although the outcomes generated through this work are not known, it is anticipated that they, and the implementation of the wider recommendations, will identify and overcome any inequalities and/or discrimination, perceived or otherwise, that may exist.

9.4 **Acting Sustainably**

A sustainable development assessment has been carried out on the proposals contained in this report and it is anticipated that there will be a positive effect on the following community participation outcomes:

- a) involve the community in developing and implementing the project;
- b) take into account under-represented or excluded groups;
- c) take into account equal opportunities;
- d) improve community quality of life;
- e) improve community capacity;
- f) encourage local action and decision making.

9.5 **Carbon Management**

There are no anticipated effects on carbon emissions as a result of the recommendations made in this report.

9.6 **Rural Proofing**

Not applicable.

9.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes required to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals in this report.

