

Environment, Communities and Fire Select Committee

14 January 2019

Reduction to the Community Initiative Fund Budget

Report by the Director of Law and Assurance

Summary

A proposal has been published for a Cabinet Member decision in January to reduce from £280,000 per year to £140,000 per year the budget for the Council's Community Initiative Fund. If implemented, this would be effective (CIF) from April 2019. CIF is the local grant funding arrangement provided by the County Council and allocated by County Local Committees to support local community projects across West Sussex. The total annual budget available to CIF is currently based on £4,000 per each of the 70 members of the Council. The proposal would change this to £2,000 per member.

The focus for scrutiny

The Committee is asked to consider the proposal and identify any comments or recommendations it wishes to make to the Cabinet Member for Safer, Stronger Communities as part of the decision-making process.

Proposal

1. Background and Context

- 1.1 The County Council has been awarding community grants through a Community Initiative Fund (CIF) since 2006, supporting community groups and organisations across West Sussex with the aim of enhancing the delivery of the Council's priorities through enabling communities to help themselves. CIF has a budget of £280,000, based on £4,000 per member, which is pooled on a County Local Committee (CLC) basis. This budget has been reduced over time, most recently in 2016 when the decision was taken to reduce it from £6,000 to £4,000 per member.
- 1.2 Since April 2018 CIF has been allocated by CLCs through a crowdfunding model called 'the West Sussex Crowd'. This has enabled funding from other sources to be pledged to local projects and causes. By early January 2019, over £190,000 had been pledged, £118,000 of which has come from external funding sources. The ability to leverage such external funding, combined with the fact that the CIF budget is usually underspent each year, has led to the development of this proposal to reduce the CIF budget as part of the Council's overall savings programme. Whilst this will inevitably impact on the Council's ability to provide direct financial support to local good causes and community projects, CIF is not being removed completely and the potential to draw in more funding through the crowdfunding approach is being realised.

- 1.3 A review of the crowdfunding approach is due to be carried in April, a year after its implementation, and will be reported to this Committee. This will assess how well the process is working, any lessons learned and changes to be made. It will also involve consultation with all members, CLCs voluntary and community sector organisations. However, it is not possible to delay reducing the CIF budget until this review is completed, as the Council faces significant financial challenges and savings need to be delivered for the 2019/20 Budget. The review of crowdfunding will assess the impact of any agreed reductions to CIF. In addition, there is due to be a review of CLCs by Governance Committee in the summer, which will also be considering the wider community development role of the Council, to include how best to enable and foster effective community resilience.

2. Proposal

- 2.1 To support the Council's savings programme, it is proposed that the CIF budget be reduced by 50% from 2019/20, to a total of £140,000, based on £2,000 per member of the Council. This will continue to be allocated through County Local Committees using the West Sussex Crowd.
- 2.2 Whilst CIF supports local projects across West Sussex and is valued by both members and communities, the Council faces difficult financial challenges and savings need to be found across all Council budgets. The financial data set out in **Appendix A** shows that the West Sussex Crowd is already generating additional external funding for community initiatives. There should be potential to increase the amount of this even further, given that the crowdfunding approach has only been in place since April 2018. A review of the West Sussex Crowd will be carried out in spring 2019, and opportunities to develop this approach further and generate more community investment will be explored through this.
- 2.3 Appendix A also shows that CIF is regularly underspent (£34,000 in 2016/17 and £23,000 in 2017/18). As at early January 2019, only £86,000 of the CIF budget for 2018/19 had been allocated. Data on how CIF is allocated and the types of projects supported is also set out in Appendix A.
- 2.4 The fact that the CIF budget is usually underspent each year, combined with the external funding generated by the West Sussex Crowd, suggests that the impact of the proposed budget reduction can be minimised. However, it is recognised that this will reduce the amount of funding the Council can provide to support community initiatives – and that it is a challenging time for the voluntary and community sector in terms of the wider funding available. A review by the Council's Governance Committee of CLCs later this year will include consideration of the Council's wider community development role. Opportunities to develop different ways of generating support for community initiatives will be explored as part of this.

3. Resources

- 3.1 A 50% reduction to the CIF budget will deliver a saving of £140,000 from 2019/20, as part of the Council's overall savings programme.

- 3.2 The current CIF budget (2018/19) is £280,000 per year, based on an allocation of £4,000 per member. CIF underspends have in recent years been transferred into the next year's budget, with £23,000 transferred into the Fund for 2018/19. In addition, £50,000 transferred from the former Members' Big Society Fund in 2018/19. This additional funding will not continue in future years, and any underspend this year will not be rolled-over. This means there may be some in-year savings to be delivered from the total budget available of £353,000, depending on the final allocation of CIF through CLC meetings in February and March 2019.

Factors taken into account

4. Issues for consideration by the Select Committee

4.1 Issues members may wish to explore include:

- The impact CIF has on community resilience and wellbeing and the delivery of the Council's priorities – and how any reduction in the total grant available will affect this.
- CIF allocation patterns and the implications for CLCs of any reduction in CIF.
- Whether the protocol for allocation of CIF may need to be reviewed in light of any reductions to the budget, to ensure the remaining funding is targeted at projects that will have the biggest impact for the community.
- The scope of the review planned for the crowdfunding approach, due to be carried out from April 2019 (and to be reported to this Committee).
- Feedback from members (to be provided at Appendix B)
- The implications for the Council's finances if this proposed saving isn't delivered, and any alternative savings options that should be considered.

5. Consultation

- 5.1 All members of the Council have been invited by the Cabinet Member for Safer, Stronger Communities to comment on this proposal. Responses received will be collated and summarised and provided to the Committee at **Appendix B**. CIF applicants and local voluntary and community sector organisations have not been consulted; it is unlikely that they would support any reduction in this funding stream. However these will be consulted as part of the review of the West Sussex Crowd later this year.

6. Risk Management Implications

- 6.1 A reduction in the CIF budget will impact on the number and range of local causes that the Council is able to support. This may lead to reputational risk to the Council in terms of the impact on the ability of organisations to deliver local projects and initiatives. However, a review of CLCs is planned for summer 2019, and this will include consideration of the Council's approaches to community development and will explore opportunities to support community resilience in different ways. A review of the West Sussex Crowd in spring 2019 will also consider ways to generate further external funding through this platform.

- 6.2 Any failure to deliver the proposed reduction in CIF will have an impact on the Council's overall savings programme, requiring alternative savings to be found from other budgets.

7. Other Options Considered

- 7.1 Consideration was given to removing CIF altogether, delivering a saving of £280,000. However, this would mean the loss of all grant funding provided by the Council and consequently the opportunity to provide any financial support to local causes and projects. It would potentially undermine the role of CLCs and the role local members play in their communities. In addition, the Council is currently ten months into a three-year contract with a company (Spacehive) to deliver the crowdfunding approach. It would be difficult to maintain this approach without any CIF budget. It was therefore considered that a 50% reduction in CIF was the preferred option.
- 7.2 Another option would be to reduce CIF by less than 50%, but this would not deliver the necessary savings to support the Council's overall savings target.

8. Equality Duty

- 8.1 Under the Equality Act, the Council has a 'public sector equality duty'. It must have and show how it has due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people who share a protected characteristic and people who do not share it. The need for an Equality Impact Report has been assessed. Whilst CIF may be used to benefit people with protected characteristics, it is a universal grant that any group can apply for and is used to support a range of community-based projects and initiatives. Reduction in this Fund will have the same impact on those who have a protected characteristic as those who do not. It is therefore not considered that a report on impact for equality purposes is needed.
- 8.2 The proposal is not to remove CIF altogether, so there will still be the potential to use the Fund to support groups and projects that may be working to help eliminate discrimination and advance equality of opportunity.

9. Social Value

- 9.1 Grant funding helps voluntary and community groups to contribute to the social, economic and environmental wellbeing of their communities.

10. Crime and Disorder Implications

- 10.1 There are no Crime and Disorder Act implications associated with this proposal.

11. Human Rights Implications

- 11.1 There are no known Human Rights implications associated with this proposal.

Tony Kershaw

Director of Law and Assurance

Contact: Nick Burrell, Senior Advisor Democratic Services,
nick.burrell@westsussex.gov.uk or tel: 033022 23881

Appendices

- Appendix A: Data on CIF allocations – To Follow
- Appendix B: Feedback from members on the proposal – To Follow

Background Papers

None