

**Forward Plan reference:** Not applicable

<b>Report title:</b> Locality Fund Arrangements	
<b>Report to:</b> Cllr David Finch, Leader of the Council	
<b>Report author:</b> Paul Turner, Director, Legal and Assurance	
<b>Date:</b> 24 September 2020	<b>For:</b> Decision
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<b>County Divisions affected:</b> 'All Essex'	

## 1. Purpose of Report

- 1.1 To agree that nominations from Members for the scheme will not be accepted after 31 January 2021.

## 2. Recommendations

- 2.1 That no nominations from members under the locality scheme be accepted after 31 January 2021 but otherwise the arrangements for the management of the Essex County Council Locality Fund for the financial year 2020/2021 remain as they are.
- 2.2 That all members be notified of the new cut off date immediately.

## 3. Summary of issue

- 3.1 The Leader announced the creation of the Essex County Council Locality Fund at Full Council on 11 February 2020. A budget of £750,000 was established for the 2020/21 financial year.
- 3.2 The Leader agreed the rules of the scheme in March 2020. These were designed before the COVID-19 pandemic and the lock down. Notwithstanding the rules have worked well in practice and, less than six months in, a significant part of the budget had been committed. Information sessions for members have been held and 1:1 sessions to help guide members in ensuring the funds are spent meeting the criteria. Some members are deciding between a lot of competing bids. Some examples of spending include:
- Equipment for community projects
  - Helping local organisations become COVID-19 secure (e.g. by purchase of outdoor seating)
  - Paying for highway studies to enable Local Highways Panel schemes to progress more quickly
  - Repairs to important community buildings

- Creation of community gardens
  - Community art projects
- 3.3 The current rules of the scheme say that recipients of the money must spend it before 31 March 2021 or within six months. There is not however any deadline by which members must make nominations. Following discussions with the Leader and the Cabinet Member it is proposed that a deadline should be introduced so that nominations should not be accepted after 31 January 2021. This will slightly reduce the flexibility of the scheme but it will allow any last-minute rush to be cleared and money to be spent before 31 March 2021. At briefing sessions Members have been told that in practice it may be difficult for recipients to spend the money before 31 March if we do not receive a nomination until after 31 January. However, this would have depended on the nature of the scheme. It may in practice have been rather tight, depending on the nature of the scheme, to get the money spent. The disadvantage of this proposal is that it may lead to an artificial spike in activity shortly before 31 January 2021 which might not otherwise have occurred.

#### **4. Financial Implications**

- 4.1 The total budget in 2020/21 for this fund is £750,000. This is allocated as £10,000 for each single member division and £20,000 for divisions served by two councillors.
- 4.2 Members are able to make recommendations as to how the money is to be spent with the final decision taken by officers of Essex County Council under delegated powers.
- 4.3 Any award of funding by way of a grant is accompanied with a grant letter for signature by the beneficiary. This includes conditions to ensure that it is unlawful for the funding not to be spent in the way agreed within the grant award letter.
- 4.4 Grant funding is normally paid after the expenditure is incurred unless this will prejudice the delivery of the proposal in which case ECC may agree to pay in advance.
- 4.5 Grant recipients are required to complete a monitoring form within one month of payment of grant; or within six months of payment if the funding is paid in advance.
- 4.6 To date there have been recommendations totalling £281,971 put forward, with a total value of £152,123 awarded to date and £63,406 of payments made at this stage. Therefore over £597,000 still available to be issued.
- 4.7 The early closure of the scheme may result in a spike in schemes coming forward but will not create a budget pressure as successful bids will not exceed

the budget value available. The early closure may lead to an under spend on the scheme.

## **5. Legal Implications**

- 5.1 Introducing a new a cut-off date is lawful provided that sufficient notice is given to members.

## **6. Appendices**

- 6.1 None

## **7. List of Background Papers**

Rules of the scheme

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
<b>Councillor David Finch, Leader of the Council</b>	26 September 2020

In consultation with:

<b>Executive Director for Finance and Technology (S151 Officer)</b>	
<b>Stephanie Mitchener on behalf of Nicole Wood</b>	25 Sept 2020
<b>Director, Legal and Assurance (Monitoring Officer)</b>	
<b>Paul Turner</b>	24 September 2020