

To agree changes to the administration of the Community Initiatives Fund

Forward Plan reference number: N/A

Report title: To agree changes to the administration of the Community Initiatives Fund.	
Report to: Councillor Sue Lissimore – Cabinet Member for Culture and Communities	
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Date: 18 May 2018	For: Decision
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County Divisions affected: All Administrative Essex	

1. Purpose of Report

- 1.1 To obtain the endorsement to the proposed changes to the Community Initiatives Fund's qualifying criteria and Evaluation Panel(s) constitution as stated in the revised Guidance Notes.

2. Recommendations

- 2.1 To adopt the amended Community Initiatives Fund Guidance Notes, appended to this report, to take effect for the opening of the 2018/2019 fund.

3. Summary of Issue

- 3.1 The Communities Initiatives Fund (CIF) is a small grants scheme, up to a maximum of £20,000. It is administered by Essex County Council (ECC) and available to eligible bodies that will provide new community assets, enhance existing community assets or enhance or develop initiatives that strengthen a community. The fund is open on an annual basis.
- 3.2 On the request of the previous CIF portfolio holder, the Cabinet Member for Environment and Waste the current CIF grant qualification and constitution was reviewed.
- 3.3 The Essex County Council Organisational Strategy 2017-2021, sets four key aims and strategic priorities in turn contribute towards achieving the ambitions set out of the Vision for Essex. The strengthening of communities, the helping of communities to help themselves and the fulfilment of local need are some of the key attributes. On this basis, grant funded projects would need to demonstrate greater emphasis of alignment of local community need, support and accessibility to the Strategy. The constitution of Panel Members should reflect greater representation from communities in which the project outcomes will benefit
- 3.4 In addition, to ensure fair and equitable distribution of funding increased transparency was to be attained in applicants' existing financial standing and capability.
- 3.5 The proposed changes are to attain assurance that equity in the grant allocation process was being maintained and that projects aligned and delivered to ECC's core commissioning and service demand challenges.
- 3.6 These changes would come into force for the opening of 2018/2019 fund with greater clarity being provided on eligibility criteria to applicants.

4. Proposals

- 4.1 In reviewing the current fund Guidance Notes and application process the following changes were identified to strengthen financial due diligence and give assurance to the delivery of projects that address the aspirations of ECC's Organisational Strategy and increased community support and benefit
- 4.2 Organisational Strategy 2017 – 2021
 - 4.2.1 A recent review of the allocation and administration of grants by ECC has identified an inconsistency in the understanding and demonstration of how the outcomes of grant funded projects and initiatives align to ECC's strategic aims and priorities.
 - 4.2.2 Essex County Council sets out these aims and priorities in the Organisation Strategy 2017-2021 as being: Enable inclusive Economic Growth; Help people get the best start and age well; Help create great places to live, grow up and work; and Transform the council to achieve more with less. In turn, alignment of projects to these aims and priorities will contribute towards the attainment of the aspirations within the Vision for Essex.
 - 4.2.3 As part of the qualifying criteria, applicants will have to demonstrate alignment of their projects outcomes to the Organisational Strategy for at least the period in which the strategy is in force.
- 4.3 Unrestricted Reserves
 - 4.3.1 It order for outcomes to provide the greatest contribution towards the Organisation Strategy and overall Vision for Essex, is it important that the spending of grant funding is maximised on frontline delivery, assuring the needs of local communities are fulfilled to the utmost potential. Equity in allocating grant funding to those communities with the greatest financial need must also be maintained.
 - 4.3.2 The holding of unrestricted reserves by a charity is normal financial practice. The setting aside of such reserves being a general contingency to be spent on any of the charities aims to mitigate future potential financial risk of for specific purpose, e.g. building works.
 - 4.3.3 It is best practice for charities to have a Reserves Policy, explaining why such money is being set aside rather than being spent on the charities aims. This is normally specific to how much the charity needs to hold in reserve and why; how this reserve is to be spent; and the frequency in which the reserves policy is to be reviewed.
 - 4.3.4 As part of the grant qualification process, where applicable, organisations shall have to provide a copy of the Trustee Annual Report and Accounts, demonstrating the amount held in unrestricted reserves, along with the Reserves Policy giving rationale as to why this money is set aside and cannot be utilised (or proportionally utilised) for the CIF funded project.
- 4.4 Town and Parish Council Precept
 - 4.4.1 A Town or Parish Precept is the local tax on residents, and local Councils have the power to set the precept annually, based upon the localised needs.
 - 4.4.2 Similar in principle to the use of Unrestricted Reserves, as part of the grant qualification process Town and Parish Councils are to demonstrate through their rational behind budget setting, why such Precepts have not made provision for the community project which they envisage delivering or why only partial contribution can be made.

4.5 Project Costs

- 4.5.1 As the CIF is a small grants fund, it is prudent to minimise the amount of CIF grant funding that may be required to cover direct project costs (e.g. administration) assuring the greatest value of the funding is attained to achieve the maximum benefit to the local community.
- 4.5.3 Applicants shall be asked to be fully transparent on the total project costs and where funding will be allocated
- 4.5.4 Essex County Council may request an audit of the project's accounts (independent or otherwise) to ensure the diligent expenditure of public funds and gain assurance that the agreed funded activity has been achieved.
- 4.5.5 Essex County Council will reserve the right to claw back all or partial funding should owing to the performance of the project delivery and benefits.

4.6 Maintaining Diversity amongst Beneficiaries

- 4.6.1 It has been noted that further clarity is required as to the eligibility of faith-based organisations to apply for CIF Funding, as applications from such organisations have been below from what has been anticipated
- 4.6.2 Essex County Council recognises that faith-based organisations undertake valuable work in supporting disadvantaged and marginalised communities in Essex, and ECC wishes to fully support these organisations.
- 4.6.3 For clarity ECC will not fund activities which evangelise (the practice of preaching or spreading religious beliefs), or proselytize (the practice of trying to convert people to one's own belief or religious views).
- 4.6.4 It is expected that these organisations will evidence the practical implementation of their diversity policy, so that people from all faiths or none can become a member of staff, board member, volunteer, or benefit from the work. There is also an expectation any partners to be taking an inclusive approach to their work.
- 4.6.5 In doing so, this is in the spirit of the Essex Faith Covenant, where faith communities and partners have pledged to follow a joint vision, a set of principles that unify and focus attention on helping others. The overriding sentiment of the vision being that 'together we are stronger'.

4.7 CIF Member Panel

- 4.7.1 Assurance should be given to the fair and equitable distribution of funding that supports projects, initiatives and outcomes that have a genuine localised need. Therefore it is expected that applicants provide supporting information where ever practicable to demonstrate uniqueness of their project to their local community.
- 4.7.2 Panel Members, on assessing grant applications should be made aware of synergies of other projects, initiatives or services that may already pre-exist that could address the localised need.

- 4.7.3 In additional opportunities should be identified and sought to foster partnership working and joining up of services to increase capacity, accessibility and enhance the benefits realisation of project outcomes.
- 4.7.4 To give further assurance of unbiased allocation of CIF grant funding, Panel Members will not be allowed to adjudicate any grant application where the Panel Member may have a personal or pecuniary interest in the project or the attained activity or outcome. To this effect all Panel Members shall be required to formally declare their interests.
- 4.7.5 To assure diversity of the CIF Panel constitution and projects are of value to the community in which they are based, greater representation shall be required from citizens of the local communities to which the project will benefit. Such citizens shall be unconnected to the project or grant claimants.

5 Options

- 5.1 Do Nothing – Leaving the existing Guidance Notes un-amended would weaken the ability of CIF small grants scheme to contribute towards the fulfilment of the aims and priorities within the Essex Organisational Strategy 2017-2021 and in turn, attain the ambitions set out within the Vision for Essex.

6 Financial Implications

To be added by Finance

7 Legal Implications

****To be added by S151****

8 Equality and Diversity Implications

- 8.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 8.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.
- 8.4 Changes to the CIF qualifying criteria and Evaluation Panel constitution are designed to attain a project's assurance of greater inclusivity and accessibility within communities, and that opportunities arise for those with protected characteristics. This is in advancement of the Public Sector Equality Duty.

9 List of Appendices

9.1 Community Initiative Fund 2018 -2019 Proposed Guidance Notes

I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor Sue Lissimore, Cabinet Member for Culture and Communities	

In consultation with:

Executive Director for Corporate and Customer Services (S151 Officer)	Date
Margaret Lee	
Director, Legal and Assurance (Monitoring Officer)	
Paul Turner	