

COMMUNITY FUND ALLOCATION 2014-15**WDA/22/14****Recommendation**

That:

1. Members are asked to allocate the funds at Option One as listed in paragraph 5.2 and Appendix 2 in accordance with the original funding approval;
2. Members are further asked to approve the additional projects identified in Option Two as listed in paragraph 5.3 and Appendix 3, and to approve the virement of £50,000 from the Re-Use Scheme budget and £19,629 from the Waste Prevention Partnerships Projects budget to fund the additional projects;
3. In the event that any of the successful projects withdraw, Members agree to delegate to the Chief Executive, in consultation with the Chairperson, to award funding to the next highest scoring eligible application above the minimum threshold for regional or district projects or to the next project listed that can be delivered up to the amount of funding available;

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COMMUNITY FUND ALLOCATION 2014-15**WDA/22/14****Report of the Chief Executive****1. Purpose of the Report**

- 1.1 To inform Members of the Community Fund applications received and the outcome of the evaluation process;
- 1.2 To seek Members approval to allocate funds in accordance with Option One as set out in paragraph 5.2 and Appendix 2; and
- 1.3 In light of the quality of the applications received, should Members wish to increase the allocated funding, above the original approved budget, then Options Two and Three are set out in paragraph 5.3, 5.4 and Appendices 3 and 4.

2. Background

- 2.1 The Authority's Revenue Budget was approved by Members on 31st January 2014 which included £100,000 for the Community Fund. Veolia E.S. has also provided a £10,000 contribution through the WMRC contract. The Community Fund for 2014-15 is therefore a total of £110,000 and covers the Merseyside and Halton Waste Partnership area in line with previous years funding.
- 2.2 Members approved the details of this year's annual scheme for the Community Fund in accordance with the policy framework and the application criteria (Report WDA/09/14). The breakdown of the scheme approved is: All eligible projects to meet a minimum 40% scoring threshold;
 - Regional Projects: £40,000 to be allocated for up to three region wide projects with a maximum award of £20,000 for any one project;
 - District Projects: £70,000 to support projects up to a value of £10,000 per project at individual district level. Any unspent funding in the regional pot will be reallocated to district level projects. The recommendations for district awards are being made on a spatial distribution with the best scored project for each district and then

the second best until the maximum budget is spent whilst maintaining best value.

3. Community Fund 2014-15

3.1 The Community Fund for 2014-15 was launched on 19th May 2014. Two workshops were held at Mann Island on 14th and 21st May by MRWA officers to engage with local organisations as potential applicants following on from the success of the workshops held in 2013. A total of 34 people attended the workshops from 29 organisations.

3.2 Applications were accepted between 19th May and 8th July 2014. 38 applications for funding were received with a total value of £406,878.04 and are listed at Appendix 1. This was a 58% increase in number of applications compared to 2013 and once again the Fund is significantly over subscribed. A breakdown of the geographical areas proposed to be supported by these applications is at Table 1 below.

Table 1: Distribution of Applications

| Districts covered by projects | Number of Submissions | Value of all submissions £s per district | % Share of requested funding |
|---|------------------------------|---|-------------------------------------|
| Halton | 3 | 29,700 | 7.30 |
| Knowsley | 3 | 21,490 | 5.30 |
| Liverpool | 3 | 22,240 | 5.50 |
| St Helens | 6 | 23,975 | 5.90 |
| Sefton | 1 | 10,000 | 2.50 |
| Wirral | 9 | 67,958.60 | 16.70 |
| | | | |
| Merseyside and Halton | 8 | 116,090 | 28.53 |
| Knowsley and Liverpool | 2 | 38,618 | 9.50 |
| Knowsley/Liverpool/ St Helens and Sefton | 1 | 19,476 | 4.80 |
| Knowsley, Liverpool and Sefton | 1 | 17,508 | 4.30 |
| Knowsley, Liverpool and Wirral | 1 | 19,840 | 4.90 |
| Wirral and Sefton | 1 | 19,982.44 | 4.91 |
| Total | 39 | £406,878.04 | 100% |

4. Evaluation Process

4.1 Applications received have been evaluated using the policy framework and 2014/15 Evaluation Criteria as agreed by Members. The principles set out in the policy are that the Community Fund will:

- Be limited to achieving the aims and objectives of the Authority's Corporate Plan;
- Not go beyond the Authority's incidental powers for Local Authority Collected Municipal Waste;
- Eligible bodies will be restricted to community and voluntary sector not for profit organisations including social enterprises;
- Community fund applications will not be supported for the same schemes that are already being funded by the Authority in the same financial year;

4.2. It was also agreed that:

- All awards are subject to the Authority's Financial Procedural Rules including the mechanism for recompense (clawback) should the agreed project outputs not be met; and

4.3 An evaluation panel was established of 4 officers from MRWA and Veolia to score the applications independently (Director of Finance, Waste Strategy Manager, Compliance Officer and the Operational Director of Veolia Environmental Services Merseyside and Halton).

4.4 A meeting was held on 27th June to moderate the scores where agreement was reached that four projects were ineligible for funding. When all scores were compiled following the deadline, two applications failed to meet the minimum scoring threshold and should not be progressed as listed at Appendix 1.

4.5 The remaining 33 applications have been scored out of 100 and ranked according to highest score above 40 for regional projects and projects within each district. One application was submitted after the deadline and the applicants were made aware that this did not guarantee a formal acceptance of the submission by the Authority. The project has been evaluated but did not score sufficiently to affect the recommendations made to Members and has been included in the lists of applications.

4.6 It should be noted that applications that did not score well in the evaluation or were considered ineligible were, in the main from organisations that did not attend the MRWA workshops or did not seek any clarification about completion of the process from MRWA officers.

5. **Funding**

5.1 The panel considered that a significant number of good quality projects were received but the Authority only has £110,000 available to fund a number of regional projects and at least one project per district. In order to maximise the value and outputs of the applications received, Members are asked to consider the following options based on a minimum acceptable score of 60 for projects receiving awards in any of the options. Should any of the successful applicants fail to complete the project agreement or withdraw and sufficient funding is available, Members are also asked to approve the delegation to officers to award funding to the next highest scoring applications (be it regional or district project) listed in the approved Option or the next project that can deliver their programme of activity up to the amount of funding available.

5.2 **Option One (Budget level funding): Recommended**

The following are considered for total community fund awards of £106,901 listed in Appendix 2:

- Regional Projects: to award the two highest scoring projects namely Faiths4Change (Ref: CF17) and Community Action Wirral (Ref: CF12) a total of £39,962. The former scheme covers the City Region and whilst the latter is a pilot focussed on Wirral and Sefton, it is built into the programme to extend the benefits and strategic opportunities through the Community Voluntary Associations network across all districts;
- District Projects: to award eight projects up to a total of £66,939:
 - one in Halton (Groundwork Cheshire Ref: CF13);
 - one in Liverpool (Granby Toxteth Development Trust Ref: CF14);
 - one in Sefton (Sefton CVS Ref: CF16);
 - one in St Helens (UC Crew Ref: CF37);

- Two projects are proposed for Wirral with the highest score being for Tomorrow's Women Wirral (Ref: CF5) and Wirral Change (Ref: CF19) being the second highest score for Wirral projects and at 65 ranked higher than any other district or regional application.
- Two projects are proposed for Knowsley which equally scored 62 in their district. Village Housing Association (Ref: CF10) and with funding available an award is proposed for the Friends of Halsnead Allotment Group (Ref CF30).

5.3 **Option Two: Increased Funding**

This option proposes to add a further four regional projects to the ten listed in Option One (see Appendix 3). These projects received the next highest scores across the rankings in the evaluation and offer additional economic, social and environmental benefits:

- Three of the additional projects support activity across all districts: Emmaus Merseyside (CF20); Bulky Bob's (CF2) and the Children's Food Trust (CF32);
- One project is specific to activity at Larkin's Farm which covers Knowsley and Liverpool (CF18);
- Three of the applicants are seeking to build on successful delivery of Community Fund projects awarded in 2013-14 whilst Emmaus Merseyside is a new scheme to develop a recycling superstore whilst helping homeless people in the region;
- This option would require an additional £69,629 above the original budget which would increase the Community Fund to a total of £179,629. This additional funding could be made available through the Virement from other internal budgets (see paragraph 10.2) and does not require any "new" money; and.
- These additional four projects enable the Fund to support more projects across the City Region, maintain a high level quality of outputs and deliver value for money identified through the evaluation criteria.

5.4 **Option Three: Additional Funding**

As Option Two above for fourteen projects plus:

- Members may wish to consider and agree to an increase in the Community Fund budget to support the funding requested for regional projects which have scored over 62 in the evaluation process.
- This option funds a further two applications: PPS UK (CF8) a one stop shop probation service scheme to cover Knowsley, Liverpool, Sefton and St Helens, and the Alt Valley Community Trust (CF21) textile scheme for Knowsley, Liverpool and Sefton.
- This would bring the total number of applications awarded to 16 as listed in Appendix 4 at a total cost of £216,613. This is the same number of projects as Members awarded in 2013-14 but a reduction of £9,374 in funding compared to last financial year.
- However, this option would require £106,613 above the original budget. A further £36,984 would be required above option two and this would need to be found from the Strategy budget. In total, this is an 18% virement of the Strategy budget for 2014-15 into the Community Fund which will have a significant impact on the ability to effectively deliver current approved programmes and projects within the Strategy Team (see paragraph 10.3).
- The 17 projects which are not recommended for funding fall, in the main, below the 60 score and there remain issues with value for money, duplication of activity, project planning or deliverability.

6. Risk Implications

| Identified Risk | Likelihood Rating (L) | Consequence Rating (C) | Risk Value (L x C = RV) | Mitigation | Mitigated Risk Value |
|---|-------------------------|--------------------------|--------------------------|---|----------------------|
| Option 1 Challenge by unsuccessful applicants for the grant | 2 | 3 | 6 | Members have approved a policy framework and evaluation methodology that has been applied equitably to all applications based on a spatial approach between districts. Members do however have to consider the | 3 |

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| | | | | political implications of the geographical distribution of proposed successful applicants | |
| Option 1 Ensure process control measures are appropriate to ensure quality and value for money applications are awarded in order to comply with the Authority's Best Value duties. | 2 | 3 | 6 | The policy framework approved by Members has clear criteria, delegations to officers as appropriate and minimum scoring thresholds below which awards would not be made. Funding has been determined as part of the overall budget setting process. | 6 |
| Option 2 Challenge by unsuccessful bidders | 3 | 3 | 9 | As for option 1 | 6 |
| Option 2 Ensure process control measures are appropriate to ensure quality and value for money applications are awarded in order to comply with the Authority's Best Value duties. | 3 | 3 | 9 | As for option 1 By adjusting the funding allocation based on scores the risk of reduced quality from applications is mitigated as it is proposed additional projects are funded only to maximise VFM. | 6 |
| Option 3 Challenge by unsuccessful bidders | 4 | 3 | 12 | The setting of the fund to accommodate the applicants post the application process and not applying any reduction to bids | 9 |

| | | | | | |
|--|---|---|----|---|----|
| | | | | on the basis of VFM may lead to unsuccessful applicants to believe they have been treated inequitably by the determination of a change in the funding limit by project rather than VFM. | |
| Option 3 Ensure process control measures are appropriate to ensure quality and value for money applications are awarded in order to comply with the Authority's Best Value duties. | 4 | 3 | 12 | The determination of budget post event has a higher risk of being construed as being arbitrary in nature rather than VFM. | 12 |

7. Internal Audit

- 7.1 As part of the agreed Audit Plan, the Authority's Community Fund 2013-14 was reviewed. It was reported that the majority of controls were in place and there were no key issues. It was recommended that the annual Community Fund criteria should be determined prior to budget approval and applications be sent out as soon as possible after budget approval has been granted. Payments would then be made to successful applicants on a timely basis to ensure minimum of delay to the commencement of a project. A further report will be put to Members with proposals to take account of this recommendation.

8. HR Implications

- 8.1 There was an increase in officer support to develop communications, PR and use of websites and social media to promote the Community Fund. This helped lead to an increase in the number of enquiries and applications received. 33 projects were eligible for evaluation which resulted in increased involvement by officers to process and evaluate applications and report in a very short timescale. It is also planned to continue to provide the monitoring and communications support given to the funded projects which proved successful over the last year.

9. Environmental Implications

- 9.1 The recommended list of applications aim to deliver corporate objectives and ultimately the Authority's vision which is "To improve people's quality of life by ensuring that waste is sustainably managed to bring about the best combination of environmental, economic and social benefits". All three options provide good environmental outputs and levels of environmental improvements.

10. Financial Implications

- 10.1 Based on the community fund scheme being applied as approved, then the funding approved in the recommended Option One will be £106,901 of the £110,000 allocated budget. Members may wish to consider extending this option to include the next highest scoring regional project (Emmaus Merseyside's Recycling Superstore Ref CF20) and increase the funding to £121,401 by virement of £11,140 from the waste prevention partnership projects allocation in the Strategy budget.
- 10.2 A summary of other financial options is illustrated below in Table 2 overleaf. Should members wish to consider increases in the Community Fund budget as set out in Option Two (an additional £69,629) this could be funded by internal budget virement to cover this additional cost not "new" money. £50,000 would be made available from the Re-Use scheme budget whilst a new Authority Re-use Strategy is being developed and £19,629 from the waste prevention partnership projects budget. This would significantly reduce the funding available for joint communications on waste prevention this financial year including use of refuse collection vehicle advertising.
- 10.3 Should Members wish to consider Option Three to be funded this would require further virement within the Strategy budget and would have a greater impact on delivery of other activities. The additional £36,984 may be made available from the Apprenticeships Development Programme but this would significantly reduce the opportunities for additional pilot support work being undertaken with Districts in this financial year.

Table 2: Financial Options

| | Budget (£) | Additional Cost (£) | Total Cost (£) |
|---------------------------------------|-------------------|-----------------------------------|-----------------------|
| Option One (9 projects) | 110,000 | 0 | 106,901 |
| Option Two (13 projects) | 110,000 | 69,629 (63% increase) | 179,629 |
| Option Three (16 projects) | 110,000 | 106,613 (96% increase) | 216,613 |

11. Conclusion

- 11.1 The policy framework and control measures put in place continue to prove effective in protecting the public purse and meeting Best Value requirements.
- 11.2 Increased communications, use of social media and the two application workshops has led to a 33% increase in applications and based on evaluation scores, the general quality of projects has improved. To make the process simpler, where possible, three of the output criteria (value of activities, carbon benefits and cost per contact) were calculated by MRWA officers based on information within the application. This may have increased the amount of officer time spent on each application but reduced the amount of clarification required with applicants compared to last year's process.
- 11.3 In the majority of cases, those projects which scored below 62 or were not eligible came from applicants who had not attended workshops nor sought information or clarity from officers about their submissions. More could be done in future rounds of funding to support this area of work to help potential applicants demonstrate the effectiveness of their proposals.
- 11.4 In line with the recommendations by Internal Audit in respect of the timetable for awarding the Community Fund, a report will be submitted to

Members in November 2014 to agree the criteria for a 2015-16 Community Fund in advance of agreement on the Budget on 6th February 2015. This will enable future projects to be awarded in May rather than August which will give community organisations a significantly important increase in time to develop and deliver their projects.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.