

COMMUNITY FUND 2015/16
WDA/03/15

Recommendation

That Members:

1. Approve amendments to the Community Fund policy framework as detailed in paragraph 3;
2. Agree the changes to the annual scheme proposed in paragraph 4; and
3. Approve the allocation of funding in line with Option 2 as detailed at paragraph 5.3 of this report.

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COMMUNITY FUND 2015/16
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Report of the Chief Executive

1. Purpose of the Report

1.1 Members are asked to:

- Approve changes to the current Community Fund policy framework (paragraph 3);
- Agree the amendments to the process and criteria for the annual scheme (paragraph 4);
- Consider the options for apportionment of the fund set out at paragraph 5 where Option 2 (Amended Regional and District split) is recommended.

2. Background

- 2.1 The Authority approved the Community Fund policy framework and the details of the 2014/15 Community Fund in April 2014 (Report WDA 09/14)
- 2.2 39 projects were received and the Fund was significantly over subscribed with £406,878 worth of bids for a Fund of £110,000. Projects were split between regional and district level with a maximum award of £20,000 per regional proposal and £10,000 per district proposal.
- 2.3 Members approved support to 14 projects in July 2014 to the value of £179, 629 (Report WDA 22/14) with 6 regional projects worth £112,690 and 8 district projects worth £66,939. Members agreed an increase in the allocated budget by £69,629 by internal budget virement to cover this additional cost.
- 2.4 As part of the agreed Audit Plan, the Authority's Community Fund 2013-14 was reviewed. A recommendation was made that the annual request for 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 the

project. This report puts forward proposals to take account of this recommendation.

2.5 A Special Focus Report was presented to Members in November 2014 (Report WDA 37/14) to present the successful outputs and outcomes delivered by the 16 projects in the 2013/14 Community Fund. This included:

- 1,194 tonnes diverted from landfill;
- 1,152 tonnes reduction in CO2e emissions;
- 98.1 full time equivalent jobs created or safeguarded
- £95,520 financial savings in landfill tax (based on £80 tax per tonne for landfill)

3. Proposals to Change Community Fund Policy Framework

3.1 Members are asked to agree amendments to paragraph 2.3 of the current Policy Framework (Appendix 1) to reflect proposed changes to the Community Fund application process as follows:

- To introduce an Expressions of Interest (EOI) first stage element of the application process which will cover the output requirements (quantitative criteria) of the project and address due diligence issues; and
- A second stage to invite successful applications to submit full applications including full project management plans and risk assessment (the qualitative criteria).

3.2 Other Local Authorities, including Western Riverside Waste Authority, have utilised the EOI stage successfully for their community funding projects. The benefits of the EOI stage is that the form will be simpler for applicants to complete (Appendix 2) saving organisations time and resources compared to the current process. Previous annual schemes required a full application but a number of submissions fell at the first hurdle because the organisation was not eligible or did not meet the criteria or attain a score to be awarded funding as they were in competition with other applications. In 2014/15 17 projects did not receive funding for a number of reasons but the majority had spent time putting forward proposals which included detailed project planning.

- 3.3 The EOI stage will be assessed by MRWA officers based on the output criteria Members agree for the annual scheme. Organisations will be checked that they are properly constituted and meet the Authority's financial requirement in line with the Policy Framework. This stage will also replace the complex and intensive competitive scoring evaluation required in previous years which has needed significant staff resources to undertake. Only those organisations which provide the maximum outputs and social value which meet the Authority's priorities of waste prevention re-use and recycling will then be invited to submit a full application. Members will be asked at this stage to agree the list of applications to invite to submit final applications up to the value of the approved budget and this will become the key decision making stage in the process.
- 3.4 Officers will then work with invited organisations to ensure final submissions which include robust project plans and risk assessments for delivery of the outputs. Final approved applications will therefore be based upon delivery of clear high level outputs with effective but realistic management of the scheme rather than being scored on the ability to submit a good project plan.
- 3.5 It is recommended that the final awards should be delegated to the Chief Executive in consultation with the Chairperson as the projects to be awarded will be the same as the list that Members invited to submit final applications. Should any project be withdrawn or an applicant fails to submit a credible project plan within an agreed timescale, then Members are also asked to approve the delegation to officers to reject these applications and invite submissions of final proposals to the next best placed projects at the EOI stage based on outputs and delivery up to the amount of funding available.
- 3.6 The changes proposed will streamline the application process to be commensurate with the resources available from the Authority and be focused on addressing the Authority's priorities whilst adding social value to the community. It is anticipated that the changes may allow some if not all grants to be awarded in May 2015 after the General Election with schemes commencing delivery in June 2015, some two months earlier than in 2014-15.

4. Annual Scheme Application Process and Output Criteria

- 4.1 In line with the above changes in paragraph 3, it is proposed to split the existing application form into Stage 1: Expression of Interest Form

(Appendix 3) and Stage 2: Final Application Form (Appendix 4). Both forms will constitute a full and final application to be eligible for funding. EOI forms will request the following information:

- Applicant Details;
- Project summary including timescale for delivery;
- Project information with outputs for tonnages (based on diversion from landfill for waste prevention, re-use and recycling), carbon benefits, levels of engagement and economic benefits (jobs created or safeguarded and volunteering opportunities);
- Any additional social benefits or in-kind support/other sources of funding; and
- As in 2014-15, applicants will not be required to calculate the carbon benefits and this will be completed by MRWA officers.

The Final Application Form will require details on the project plan, project management and risk management from those applicants invited to submit this second stage of the process. Officers may provide limited time to advise on the development of project plans especially for those community and voluntary organisations less familiar in preparing project plans which may have been an obstacle in previous funding rounds.

- 4.2 Community led cookery courses and further awareness of the Love Food Hate Waste campaign (including the 10 City Challenge) are to be supported through the Authority's waste prevention programme and benefiting from additional resources from WRAP. It is therefore proposed to exclude these elements of engagement from applications this year to avoid potential duplication of funding. Food waste continues to be supported so any projects for home composting, purchasing of kitchen food caddies and appropriate collection schemes will continue to be eligible for this year's Community Fund.
- 4.3 Officers will submit a report to Members with recommendations to invite applicants to submit final applications where the project proposal provides the maximum output potential of the EOIs submitted subject to the agreed apportionment of the fund for the year and in line with value for money.

5. Community Fund Options for Apportionment 2015-16

5.1 In line with the policy framework, Members are asked to consider the options for the apportionment of the fund into lots. The overall budget proposed is £110,000 including Veolia ES's contribution of £10,000. £5,000 will be retained by the Authority to manage the administration and communications for the Fund leaving £105,000 available to award to projects.

5.2 Apportionment Option One: Status Quo

This option will maintain the funding as for 2014-15 with £60,000 to be awarded at individual district level up to a maximum of £10,000 per project. The remaining £45,000 will be awarded to region wide projects (covering all six districts) with a maximum award of £20,000 per project. Any underspend of the regional pot will be reallocated to the district level projects and vice versa if necessary. It is likely that this option will result in approximately 10 projects being funded by the Authority

5.3 Apportionment Option Two: Amended District/Regional Split (Recommended)

This option proposed amendments to the maximum funding levels to the regional and district split by:

- Reducing the share of district funding to £48,000 from £60,000 with a maximum award of £8,000 per project in each district;
- Increasing the regional share of the budget to £57,000 and increasing the maximum individual award to £25,000 per application.

This option provides opportunities to fund approximately 8 projects at both regional and district level, maintains a spatial distribution of awards whilst potentially increasing the benefits of economies of scale for the larger projects. There is also potential that should a maximum of two large regional projects be funded, any remaining budget could be reallocated to support an additional local initiative.

5.4 Apportionment Option Three: City Region projects only

This option seeks to increase the award for individual regional projects by £5,000 to a maximum of £25,000 per project as at option 2 and potential for approximately four major projects offering increased benefits across the City Region that should provide value for money, economies of scale and maximise environmental and social impacts. There is a risk that this option does not support small scale local community initiatives.

6. Risk Implications

Identified Risk	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
Making the process too complicated and deter potential applicants	2	4	8	EOI stage and amended criteria streamlines the process for applicants with the removal of the competitive element. This should encourage more applications but still addresses the quality of bids and maximising value for money. The proposed timetable should also enable projects to be funded earlier in the financial year as recommended by Internal Audit.
Over subscription to the Fund	3	3	9	The EOI document should be easier to evaluate by officers and sift out ineligible applications at an early stage.
The CV sector is not being supported in the right way	2	4	8	Changes proposed will improve support to the sector. It reduces the impact on

				<p>community organisations in time and resources to put forward full proposals that may be rejected. It also reflected the fact that community groups may have skills and good projects but not practiced in putting together detailed project plans. The proposals will allow officers to support applicants in these areas rather than use the project plan as a competitive element in the evaluation of the bid.</p>
<p>Challenge by unsuccessful applicants for the grant</p>	2	3	6	<p>Members approve a policy framework and output criteria to be met. This ensures assessment methodology is equitably applied to all applications based on a spatial approach. (for all options)</p> <p>Members do have to consider the political implications of the geographical distribution of the proposed successful applications (in Options 1 and 2)</p>
<p>Ensure process control measures are appropriate to</p>	2	3	6	<p>The policy framework approved by Members has clear criteria, financial</p>

<p>ensure quality and value for money and applications are awarded in order to comply with the Authority's Best Value duties</p>				<p>thresholds and delegations to officers where appropriate</p> <p>Funding has been determined as part of the overall budget setting process.</p>
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7. HR Implications

- 7.1 The revisions to the Community Fund should continue to simplify the process for applicants but not at the expense of quality. The level of on-going resources for project management and communications support will be suitable to the level of funding being proposed this financial year.

8. Environmental Implications

- 8.1 The Fund policy framework aims to deliver corporate objectives. The criteria for applications will provide clear environmental benefits in reducing waste going to landfill, maximising resource efficiency and carbon benefits.

9. Financial Implications

- 9.1 The Community Fund contribution from the Authority will be subject to budget approval by Members on 6th February 2015. The policy and funding procedures will ensure that the control measures proposed are commensurate to the budget and risks associated with achieving value for money.

10. Legal Implications

- 10.1 The policy and funding procedure ensure the Community Fund is in line with the Authority's Best Value and fiduciary obligations and support the Authority's statutory duty to address the Waste Hierarchy in line with regulation 12 of the Waste (England and Wales) (Amendment) Regulations 2012.

11. Conclusion

- 11.1 The proposed amendments to the Community Fund policy framework allow for changes to be made to the annual scheme following approval of

the budget and ensure control measures are in place which protect the public purse and meet Best Value requirements.

- 11.2 The introduction of a two stage application process should help to make the process clearer and less resource intensive for organisations to submit initial expressions of interest and commensurate with the level of funding proposed and the resources available to manage the Fund.
- 11.3 The options put forward for apportionment of the Fund address the Authority's support for larger region wide projects in all three options which may offer economies of scale and greater environmental, economic and social benefits. The Fund needs to maintain a high standard of governance and delivery of sustainable waste management projects across the City Region which supports the higher levels of the statutory waste hierarchy i.e. increased waste prevention, re-use and recycling.
- 11.4 The Fund aims to demonstrate the added value of any financial contribution from the Authority to support initiatives by schools, communities and voluntary organisations in the City Region.
- 11.5 Apportionment Option 2 (Amended Regional/District split) in paragraph 5.3 is recommended to Members, subject to budget approval.

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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.

Appendix 1: Current Community Fund Policy Framework
Appendix 2: Application Form Stage 1: Expression of Interest
Appendix 3: Application Forum Stage 2: Final Application.