

MUNICIPAL YEAR 2010/2011 REPORT NO. **178**

MEETING TITLE AND DATE:

Cabinet 9 February 2011.
Council 2 March 2011

REPORT OF:

Chief Executive and Director of
Finance & Corporate Resources.

Contact officer and telephone number:
Shaun Rogan 0208 379 3836 and
Mike Ahuja 0208 379 5044.

Agenda - Part: 1	Item: 9
Subject: Enfield Residents Priority Fund (Ward Based Budgets)	
Wards: ALL	
Cabinet Members consulted: Councillors Taylor, Georgiou, Oykenner and Goddard	

1. EXECUTIVE SUMMARY

- 1.1 This report sets out recommendations for proceeding with the implementation of the new Enfield Residents Priority Fund (ERPF) totalling £2.1m per annum from April 2011.
- 1.2 The fund will be a vehicle for helping to deliver the overarching strategic objectives of the Council to achieve fairness for all, growth and sustainability and strong communities, by deepening the level of engagement Ward Councillors have with residents.
- 1.3 The fund will provide a focus for reducing inequality and addressing deprivation and vulnerability in the borough.

2. RECOMMENDATIONS

- 2.1 That Cabinet consider the report, comment on the recommendations and submit the report to the Council for approval
- 2.2 Council is recommended to approve:
 - a) The principles and operating proposals for implementing the Enfield Residents Priority Fund (ERPF) as outlined in sections 4 to 6 of this report.
 - b) the administration, and commissioning arrangements as set out in sections 5, 6 and 7 of the report
 - c) a decision be made on the formula for allocating funding to wards as set out in para 5.3.3 and small grants proposal in 5.4
 - d) A Cabinet sub-committee comprising 3 members from separate wards agreed by Cabinet as the decision making body for projects coming

forward on a quarterly basis. In the case of a conflict of interest a another member of cabinet designated by the Leader or Deputy Leader will attend
e) Monthly progress reports be provided to Cabinet.

3. BACKGROUND

3.1 Implementing Manifesto Commitments: Options for delivering the Enfield Residents Priority Fund (ERPF)

3.1.1 The Labour manifesto “Making Enfield Better” by delivering Fairness for all, Growth and Sustainability and Strong Communities contains key pledges on the creation of a £2.1m fund for residents priority spend. It is intended that this fund will help to initiate a Member-led process that reconnects local people to Council services and creates meaningful community forums where residents are in control.

3.1.2 The commitment to this is £2.1 million for each year of the administration commencing in 2011/2012 (a potential maximum spend of £6.3m).

3.1.3 A working group including officers from the Chief Executive’s Unit and Finance and Corporate Resources, (with guidance from lead Cabinet Members) were tasked with creating an options paper to implement this vision.

3.1.4 This options paper and its recommendations was considered by lead Cabinet Members and the Corporate Management Board (CMB) on 9 November 2010 as the first steps towards formalising the framework within which the Enfield Residents Priority Fund (ERPF) can be implemented successfully. The favoured option is detailed in sections 4-6 of this report.

3.2 The purpose of the Enfield Residents Priority Fund (ERPF)

3.2.1 The ERPF is designed as a member-led vehicle to take forward some key pledges of the administration, as part of a renewed commitment to meaningful engagement within local neighbourhoods - to empower local people, improve the quality of life and to address inequalities and vulnerability as a step towards re-engaging local people in service delivery.

3.2.2 This approach is entirely consistent with the overarching strategic aims of Enfield Council to deliver fairness for all, growth and sustainability and strong communities.

4 PRINCIPLES GOVERNING THE FUND

4.1 Enfield Council reconnecting with local people, with Members leading Ward level engagement

4.1.1 Crucial to effective implementation of the ERPF is to have a fund that affords real opportunities for high levels of connectivity between Ward Members and their communities through enabling the delivery of bespoke projects that add real value to their lives. It is envisaged that members will lead from the front, building levels of engagement that will strengthen as the fund rolls forward and delivers visible and meaningful change for local people.

4.2 Local projects adding value

4.2.1 It is proposed that the fund will finance projects that address local priorities by creating opportunities for community involvement and engagement, and improve the quality of life for all Enfield residents. Projects will be time and resource bound and where possible will demonstrate a reinforcement of the bond between the local authority and residents.

4.2.3. Transparency

Details of all projects will be published on the Council website and regular performance updates added.

4.3 Payments

4.3.1 In line with many other London boroughs that operate a local fund, it is recommended that fund allocations be delivered as one off payments only.

4.4 Establishing eligibility criteria for the fund

4.4.1 It is recommended that the following eligibility criteria are established. These will both define the use of the fund to focus on projects coming forward, and maintain a manageable process. The eligibility criteria set are relatively simple and straightforward in order to avoid extensive time resources being devoted to sifting and appraising.

4.4.2 As far as is practical and appropriate to do so, projects should be delivered by the local authority itself or in partnership with key stakeholder groups or through third sector providers, except in the case of the flexibility offered through the small grants fund option (see 5.4).

4.4.3 Three simple tests will be applied to all potential projects:

- **Does the project have a measurable and/or visible impact?**
- **Does the project support (or not conflict with) council policies and priorities**
- **Is the project proposal an appropriate use of public funds**

4.4.4 Compliance with *all* of the above enables the fund to be simply and robustly applied to potential projects coming forward, underpinned by Ward Member local knowledge and expertise, and the baseline evidence available. The

application template for funding will set out these criteria on the form and ask the bidder to clearly define how they will be met. Where necessary, the advice of relevant officers will be sought where Member supported proposals appear to have questions of propriety arising.

4.4.5 Key, however, is the commitment that this fund is used for deepening the level of engagement Ward Councillors have with the communities they have been elected to represent and addressing deprivation, vulnerability and thus the criteria used in assessing projects and interventions should in addition include clear evidence of addressing *one or more* of the following:

- **Fairness for all:** serving the area and tackling inequality and vulnerability
- **Growth & Sustainability:** promoting a clean, green and sustainable environment and bringing jobs and opportunity to the area
- **Strong Communities:** encouraging active citizenship, responding to local needs and promoting local leadership

4.4.6 Once the portfolio of agreed projects across the wards has been finalised, they would be signed off and given final formal approval by the Cabinet sub-committee and then a formal announcement made as to the composition of the programme of support.

4.4.7 Where no unanimous agreement can be reached by Ward Councillors to shortlist a project in their ward, a simple majority (2:1) can be invoked to reach an outcome (subject to a technical quality assurance appraisal by Council Officers). A similar level requirement would need to be gained where cross-ward projects had been identified.

4.4.8 No projects can be agreed where funds are being used for party political purposes, activities that the Council has no legal powers or where the AD of Legal Services has advised the project is unlawful or improper.

4.4.9 Where a Member has a personal or prejudicial interest under the Members Code of Conduct, they will need to fully declare this as part of the project proposal submission and if appropriate or not be involved in the process.

5 ADMINISTRATION OF THE FUND

5.1 Guidance

5.1.1 Clear guidance on how the fund is to be administered will be produced once the agreed implementation framework is finalised. This will set out communications, governance, consultation and engagement, and performance management arrangements and take the form of a guidance document with a supporting toolkit comprising these elements:

- **Full guidance document with application form annexe**
- **Project appraisal template**
- **Contracts and funding agreement letter**

- **Summary aide memoir**
- **Guidance on consultation and community engagement**

5.1.2 This will be made available in early 2011 in preparation for the first projects coming forward for delivery from April 2011.

5.1.3 The above will also include a toolkit of options for community and members to consider when selecting projects and an illustrative ward based menu of potential projects eligible for funding.

5.2 Communications strategy

5.2.1 A concise and bespoke communication strategy will be produced in early 2011 that will outline how the fund will be promoted in the Borough, including how Members can add value to the promotional process. In addition, Members, through their Area Forums can split into ward based groups for discussions with residents.

5.3 Agreeing Ward allocations

5.3.1 Given the differing levels of deprivation across Enfield, it is recommended that not all wards receive the same level of funding. However, social exclusion is not easily identified purely by ward data, as hotspots exist in many wards where the overall picture is relatively good. In this context, it is recommended that all wards receive an allocation based upon a needs index that can ensure funds are directly proportionate to meet need.

5.3.2 The following proposal be considered as the basis/formula for allocating the ERPF. The impact on allocations by ward of each option can be found at Appendices 1

Proposal	Strengths	Weakness	Risks
All wards receive a proportion of grant based on Indices of Multiple Deprivation (IMD) with ward populations factored in (See appendix 1) A fuller explanation of IMD is shown in paragraph 5.3.4	<p>There is a clear link between need and allocation and coverage across the borough.</p> <p>This could be viewed as more equitable. IMD is independently assessed</p>	<p>The level of finance available to each ward is not equal.</p> <p>Ward Councillors will need to be in majority agreement to pass any proposal for funding</p>	<p>Possible challenge that funding is skewed and the formula used is seen as unfair.</p>

5.3.4 The IMD used is the latest available and is dated 2007 it is a measure of multiple deprivation at the small area level. The model of multiple deprivation, which underpins the IMD 2007 was constructed by the Social Disadvantage Research Centre (SDRC) at the Department of Social Policy and Social Work

at the University of Oxford and is based on the idea of distinct dimensions of deprivation which can be recognised and measured separately. These are experienced by individuals living in an area. People may be counted in one or more of the domains, depending on the number of types of deprivation that they experience. The overall IMD is conceptualised as a weighted area level aggregation of these specific dimensions of deprivation.

IMD 2007 contains seven domains which relate to income deprivation, employment deprivation, health deprivation and disability, education skills and training deprivation, barriers to housing and services, living environment deprivation, and crime.

In summary, therefore, the Index of Multiple Deprivation is based on the concept of measuring distinct dimensions of deprivation separately and then combining these to give an overall score. These have been reviewed on a 5 year cycle, however, this is subject to change

5.4. Small grants option: 5% of ward allocations

- 5.4.1 A further option providing flexibility for Ward Councillors is the ability to allocate up to 5% of the Ward allocation, in any one year, through discretionary small grants. This to deal with service requests for assistance from local groups wishing to engage with the Fund. The approval of applications will be agreed by the same criteria as for the main fund but run on a more simplistic model reflecting the amounts concerned.
- 5.4.2 This will involve testing the bids to ensure they have an established connection to their wards, were known in the area and were content to have their names and their projects published on the Council website and in evaluation reports. Each bid would not exceed £500 in total value.
- 5.4.3 Bidders under this option would need to provide visible evidence of what their project has delivered and a sample verification check would be carried out to ensure probity. The sample size will be determined by the risk.
- 5.4.4 All successful bids would be required to highlight that the project was sponsored by Enfield Council.
- 5.4.5 In the event of those in receipt of the fund being unable to evidence expenditure associated with the project agreed, the Council would take action to recover the funding allocated up to 100% of the total sum.

5.5 Carrying forward Enfield Residents Priority Fund

- 5.5.1 It is strongly recommended that under spends accumulated by projects during their implementation phase are not rolled over into the following financial year but flow back into the centre, and earmarked for future use as part of the Residents Priority Fund. Any projects that wish to continue into another year will need to have their funding sourced from that years allocation.
- 5.5.2 All projects must be considered, approved, implemented and paid for within the financial year in which they commence. There will, however, be a level of exemption in the first year of the implementation of the ERPF to take account of the programme being new and allow time for projects to come forward.

- 5.5.3 The only exception to this would be larger projects that may be given dispensation to work across operational years and this agreement would be reached at the application stage, before any funding was committed.
- 5.5.4 All project proposals will be robustly quality assured to ensure that where exit strategies are needed they are in place and require no further call down on the fund.

6 PROJECT DELIVERY

6.1 How will projects be delivered?

- 6.1.1 Consideration has been given to the fundamental issue of how projects will be delivered once ward budgets are allocated. There will be management and support arrangements required in delivering the priority fund commitments to enhance the delivery of successful outcomes and provide assurance in terms of transparency, good governance and accountability.
- 6.1.2 This will include:
- Appropriate support and advice to members in engaging with the community
 - Identification of projects and then progressing this to allow a standardised approach across all wards
 - Management of the fund including allocation and reporting
- 6.1.3 The budget required to support the project delivery model selected is set at a maximum of 10% or an additional £200K. Members are recommended to make available £2.3m overall per annum. This would ensure £2.1m is available for spend on local priorities as per the manifesto commitment.
- 6.1.4 The following proposal is recommended as it allows the opportunity for visible improvements carried out by the Council in response to local people's priorities whilst retaining the flexibility to commission some aspects of project delivery to better placed partners if deemed most appropriate.

Proposal	Strengths	Weakness	Risks
Projects are managed and/or delivered by the Council with delivery support from local partners	Council is viewed as doing what local people want. High levels of control on spend and project management. Firm understanding of impacts projects will make. Visible linkage between local aspirations and Council delivery	Could be proportionally costly to manage. Questions around the Council's capacity to deliver multiple projects across the borough to specified timescales, particularly given current financial pressures and likely reduction of staff	Council seen as not directly empowering local community Reduces financial and reputational risk for the Council.

	via lead members. Viewed as being responsive and understanding of local needs. Performance management and audit requirements would be easier to control.	Could be seen as less than 'empowering'.	
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6.2 Commissioning arrangements

6.2.1 In order to effectively manage the overall programme of funded projects, it is necessary to consider arrangements regarding the commissioning process, irrespective of whether these are conducted in-house or through external partners. The following proposal is recommended, as it allows for a manageable process whilst also ensuring that local priorities are met. At the end of Year 1 as part of overall evaluation, the volume of projects coming forward will inform a review of the suggested levels of projects to be agreed through the fund.

Proposal	Strengths	Weakness	Risks
Approximately 60 projects are supported annually in addition to those agreed through small grants	The process remains manageable with corporate or departmental performance management support	The higher the number of projects, the greater the risk to successful delivery. Increased cost of governance, management and monitoring	Increased risk to delivery dependent on number and scope of projects

7 COMMUNITY ENGAGEMENT

7.1 Engaging local people in the decision-making process

7.1.1 Any opportunities for public participation should be open, clear and user-friendly, utilising appropriate communications resources at the Council's disposal to involve residents. The approach should also ensure elected members interact with their communities and own their local projects. The final approval process will require evidence of the engagement of community in the identification and selection of projects in each ward. Guidance on engagement will be included in the toolkit provided to members.

7.1.2 This can be based on the Council's existing baseline data highlighting priorities in wards, the use of the Enfield Residents' Panel and resident's survey results to further reinforce the identification of priorities. This can also

be used as the basis for members to consider further engagement activities with their local residents during the consultation phase from spring 2011.

- 7.1.3 The following proposal is recommended as it allows for the best level of informed judgement to be made in terms of project approval, and can provide added legitimacy via the meaningful involvement of local representation in the shortlisting process. Ward members will be able to select their panels to work on the shortlist supported by quality assurance on the technical aspects of the bids from Council Officers.

Proposal	Strength	Weakness	Risks
<p>Ward members recommend schemes following whatever consultation they deem appropriate or assemble a panel to support them in the shortlisting of the final bids.</p> <p>Once projects have been shortlisted at ward level, Cabinet sub-committee to make the formal decision to approve</p>	<p>Furtheres the engagement of local residents in decision-making.</p> <p>Provides an additional level of consideration, ensuring projects are vetted carefully.</p> <p>Could help facilitate/identify cross ward initiatives</p> <p>An open and transparent selection process underpinned by accountability</p>	<p>Selection of individuals may be problematic</p> <p>May be seen as reducing the role of the ward councillors</p>	<p>Others in the community may see this as not being inclusive</p> <p>May be seen as biased if not cross party.</p> <p>Ward councillors would have a conflict of interest regarding any projects in their ward.</p>

8 GOVERNANCE & PERFORMANCE MANAGEMENT

8.1 Implementing and administering ward based funding

8.1.1 A number of options have been considered to oversee the selection of projects and process ward-based funding expenditure.

8.1.2 If the fund were to be completely devolved out of Council control, the Council will still need to ensure a clear process for implementing the fund that can minimise identified risk and maximise the prospects of successful projects. This is likely to include a corporately managed process with input from key departments within the Council.

8.1.3 In order to effectively manage the ERPF, there needs to be a simple, transparent and accountable governance process for implementing the fund underpinned by cost effective and robust performance management. Any

release of project funding must meet all relevant procurement and commissioning criteria and be clearly auditable.

- 8.1.4 It is therefore recommended that in all cases a corporate resource within the Council would performance manage, monitor and report on the 'live' projects. In terms of projects funded through the fund other than small grants – this would be the requirement of quarterly monitoring of spend and outputs during the operational year with a lighter touch end of project return for small grants projects (both criteria will be set out in the Guidance).
- 8.1.5 An evaluation of the Priority Fund will be carried out annually and shall include reviews of governance and performance management arrangements as well as support to Members to maximise the effectiveness of the Fund during its lifetime.
- 8.1.6 Overarching responsibility for the administration, management of the fund and ward councillor support on behalf of the Council would be met by use of corporate resources within the local authority. This would mirror the approach of most London authorities who are currently engaged in this type of activity. Robust governance is required to ensure probity and appropriate use of funds. As stated in para 6.1.3 a budget of up to 10% of the overall fund amount or £200,000 per annum will be allocated to meet these supporting requirements.
- 8.1.7 This will be set out in more detail in the Guidance.

9 IMPLEMENTATION TIMETABLE

9.1 Timetable

9.1.1 The proposed timetable is:

- *February 2011 – approach for implementing the Enfield Residents Priority Fund presented to Cabinet for comments*
- *February/March 2011 – formal draft guidance for fund issued to Members*
- *March 2011 – Approval of the Enfield Residents Priority Fund by Council*
- *March/April 2011 – Communications and publicity process begins, engagement with local people at ward-level commences, baseline is established from ward level data sources*
- *May 2011 – First shortlisting and commissioning phase begins.*
- *Jun/July 2011 – Enfield Residents Priority Fund roll out of sponsored activities begins*
- *October/Nov 2011 – progress report to Members and update to residents*

- *May 2012 – year 1 evaluation report to Members and update to residents*
- *June 2012 – Press release to local media on end of year 1 results*

9.1.2 The second year of delivery of the fund would begin with a new round of consultation to commence in December 2011 with delivery from April 2012.

10. ALTERNATIVE OPTIONS CONSIDERED

- 10.1 Alternative options considered are to
- Reduce the financial commitment to the ERPF and thereby reduce the potential effectiveness of the fund
 - Not to establish the fund at all and hence renege on a key manifesto commitment

11. REASONS FOR RECOMMENDATIONS

- 11.1 The recommendations are based on the requirement to deepen the level and scope of engagement with the local community and to allow residents to meaningfully participate in decisions that affect them locally.

12. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS

12.1 Financial Implications

The Priority Fund will be split as one third revenue and two thirds capital. The financing of the capital will be included as part of the revenue cost to the general fund. The total impact on the 2011/12 revenue budget is £830k, of which £130k is the ongoing capital financing cost. In year two the total revenue cost rises to £960k and in year three £1090k. Dependent on the type of projects that are approved, there will be some flexibility of the split between revenue and capital.

12.2 Legal Implications

- 12.2.1 Grants can be paid without the requirement to comply with competition rules. The Council should therefore make it clear that the payments are a grant and not a contract for services. The grant payments should have clear criteria/weightings to ensure equal treatment, transparency and non-discrimination. The Council will need to put in place grant/funding agreements to ensure the satisfactory monitoring of the spend and such will need to be in a form approved by Legal Services.

12.3 Property Implications

- 12.3.1 No property implications identified.

13. KEY RISKS

- 13.1 Where risks exist to project delivery they will be closely managed through robust performance management systems.
- 13.2 Risk is significantly reduced where projects are managed and/or delivered by the Council. There may be potential for adverse reputation if some wards receive less than others. It will be essential to have clear exit strategies and to communicate these effectively to relevant partners and communities. There is also a risk if sufficient administrative support for the fund is not secured.

14. IMPACT ON COUNCIL PRIORITIES

14.1 Fairness for All

- 14.1.1 The funding programme is designed to help reduce inequalities by targeting funds at ward level in accordance with levels of need as identified through the Indices of Multiple Deprivation (IMD).

14.2 Growth and Sustainability

- 14.2.1 The fund will help to create stronger communities by securing greater involvement from local people within their communities and heightening engagement with the Council. It will also help refine and increase the effectiveness of services provided by the local authority.

14.3 Strong Communities

- 14.3.1 By empowering local communities and making the council more accountable to them, it is anticipated that the Enfield Residents Priority Fund will serve as a flagship programme for improving the resilience of our local communities and reconnecting them to the Council.

15. PERFORMANCE MANAGEMENT IMPLICATIONS

- 15.1 An effective performance management system will be implemented based on the successful approach currently pursued by the Corporate Policy and Performance Team in managing activities supporting the current Local Area Agreement and other grant streams.

16. HEALTH AND SAFETY IMPLICATIONS

- 16/1 There are no currently identified health and safety implications.

Appendix 1

Financial Table

The following table details the Index of Multiple Deprivation, and percentage of the ERPF for each Ward and the amount recommended for allocation to each ward

Ward	Index of Multiple Deprivation	% split	£2,100,000
Edmonton Green	46.36	8.57%	180,000
Upper Edmonton	39.23	7.25%	152,300
Ponders End	35.64	6.59%	138,400
Lower Edmonton	35.45	6.56%	137,700
Turkey Street	34.11	6.31%	132,500
Haselbury	33.65	6.22%	130,700
Enfield Lock	30.79	5.70%	119,600
Enfield Highway	30.77	5.69%	119,500
Jubilee	30.75	5.69%	119,400
Southbury	29.90	5.53%	116,100
Bowes	26.86	4.97%	104,300
Chase	23.87	4.41%	92,700
Palmers Green	23.33	4.31%	90,600
Southgate Green	20.55	3.80%	79,800
Highlands	15.91	2.94%	61,800
Winchmore Hill	15.25	2.82%	59,200
Cockfosters	14.98	2.77%	58,200
Bush Hill Park	14.53	2.69%	56,400
Southgate	13.75	2.54%	53,400
Town	13.63	2.52%	52,900
Grange	11.45	2.12%	44,500
	540.76	100%	2,100,000

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