
NORTH AYRSHIRE COUNCIL

21 January 2019

Cabinet

Title: **Small-Grant Awarding Participatory Budgeting**

Purpose: To seek Cabinet approval for proposals to implement small-grant awarding participatory budgeting approaches by Locality Partnerships.

Recommendation: That Cabinet:

- a) Agrees in principle proposals for small-grant awarding participatory budgeting approaches by Locality Partnerships;
- b) Authorises officers to conclude the development of the proposed process for funding disbursement with Locality Partnerships, to be implemented from 2020/21; and
- c) Reviews progress at the end of 2020/21.

1. Executive Summary

- 1.1 On 29 October 2019, Cabinet agreed that, while small-grant awarding participatory budgeting (PB) was of proven value in creating community cohesion, the distribution of Community Investment Fund (CIF) funds via this approach failed to deliver the core objectives of the CIF, especially in relation to the sustainability of projects and the attraction of external match funding.
- 1.2 Cabinet therefore remitted officers to identify alternative sources of funding for small-grant awarding PB approaches for Locality Partnerships for consideration at a future meeting.
- 1.3 Distributing small local grants using participatory approaches has benefits in terms of “systemising deliberative democracy,” building strong local networks and reducing time-intensive application review processes.
- 1.4 The streamlining of local grant processes through PB will allow the re-direction of officer time to support groups with external funding applications, developing funding knowledge and skills and stimulating interest in applying for funding. This will add value and increase external funding for local communities.
- 1.5 The proposed approach is for Locality Partnerships to take ownership of local grant funding to promote small-grant awarding PB within their locality, guided by local steering groups established by the Locality Partnership and supported by officers.

- 1.6 It is proposed that a safety net of 10% of the total relevant funds will be retained for assisting new groups to become constituted or for emergency funding situations and will be disbursed under the guidance of Locality Partnerships.

2. Background

- 2.1 On 29 October 2019, Cabinet agreed that, while small-grant awarding participatory budgeting (PB) was of proven value in creating community cohesion, the distribution of Community Investment Fund (CIF) funds via this approach failed to deliver the core objectives of the CIF in relation to the sustainability of projects and attraction of external match funding. Cabinet remitted officers to identify alternative sources of funding for small-grant awarding PB approaches for Locality Partnerships for consideration at a future meeting.
- 2.2 The Community Empowerment (Scotland) Act 2015, Community Wealth Building and the Scottish Government's Open Government Action Plan all support the greater involvement of local people in democratic and community activities, increased participation in local financial decision-making and, in particular, the increased use of participatory budgeting approaches. Participatory budgeting is a democratic way for people to have a direct say on how public money is spent. A PB process gives people the opportunity to identify and discuss what matters to them in their communities and to vote on their priorities.
- 2.3 PB is a way of making sure that everyone who is affected by a decision on how money is spent has an opportunity to share their views and listen to others. It provides a space for sharing information and for everyone involved to develop their knowledge about how public finances work. PB is a way for people who live and work in communities to work together to make sure that public money is used to achieve the best possible results.
- 2.4 When it is done well, PB helps to:
- Build strong relationships between people, communities and public organisations;
 - Build trust between people and make joint action possible;
 - Encourage democratic participation by reducing barriers to involvement and making sure that everyone who wants to take part can do so;
 - Target resources to where they are most needed;
 - Encourage the testing of new ideas to help transform communities in a positive way; and
 - Make sure that everyone who is affected can see how decisions about budgets are taken, how money is spent, and what happens as a result.
- 2.5 The Scottish Government has set a target of 1% for the use of participatory budgeting methods in public funds by 2020. North Ayrshire is sector leading in relation to developing this way of working with communities and is now allocating a range of budgets to be spent in partnership with communities.
- 2.6 Locality Partnerships have been pivotal to North Ayrshire's success in moving local decision-making into communities. They have each established their own priorities in relation to addressing local inequalities. They have developed asymmetrical ways of working, including some sub-groups to lead planning of their work and development of CIF applications. They have been closely involved in the development of participatory

approaches including establishing steering groups to guide the latest round of disbursement of PB funding made available from a range of funders, including Big Lottery, HSCP and the Green Health Partnership. The criteria for funding awards have on occasion been based on Locality Partnership priorities. This has led to some recent CIF awards which have built upon small grant PB awards and demonstrate community interest in seeing projects develop and continue. The “Clearer Minds” young people’s mental health project in the North Coast Locality Partnership is a good example of this.

- 2.7 After consideration at Cabinet on 29 October, it was reaffirmed that the purpose of the Community Investment Fund (CIF) is to develop projects which:
- Fulfil a compelling local need;
 - Impact on reducing inequalities; and
 - Provide long-term, sustainable, positive results for the greatest number of people possible.
- 2.8 Cabinet also reinforced the value of small grant awarding PB to local communities and remitted officers to identify alternative sources of funding for small-grant awarding PB options for Locality Partnerships.
- 2.9 North Ayrshire Council has responsibility for the disbursement of a number of community funds, Common Good Funds, historic charitable town trusts and other financial resources for the purpose of making payments to local organisations or individuals from within the area in terms of the relevant grant criteria.
- 2.10 For many years the grants have been distributed through a traditional application process, which has recently been analysed and found to be overly time-consuming for the small amounts of funding involved. The recent review revealed that the current processes of application, support, assessment, distribution and monitoring involves 7 officers in 23 different processes. The officers’ assessments are then considered by Locality Partnerships for approval. The approval of some funds, such as the Town Charitable Trusts, require Cabinet or Council approval. The value of the awards rarely exceeds £1,000. Ongoing reductions in the amount of officer resource available may in future reduce the effectiveness of this system.
- 2.11 Distributing small-grants using participatory approaches involves local people in understanding financial management and budgetary pressures, systemising deliberative democracy at a local level and reducing time-intensive processes. The value and importance of this approach has been proven in North Ayrshire since its introduction in 2016. Previous small-grant awarding participatory budgeting processes and events have proven popular, with extensive community participation, far exceeding that shown in the traditional grant application processes. Local networks have grown and developed and joint projects have emerged as a result of local collaborations. These PB approaches are described in Appendix I.
- 2.12 Given their pivotal role in moving local decision-making into communities and the experience which Locality Partnerships have in using participatory approaches, it is proposed that they take responsibility for setting the criteria and allocating small grants via PB. It is proposed that the Locality Partnerships would each be supported by Council officers to establish a steering group, comprising of elected and community members, including community councils, to organise small-grant awarding PB events. This would be done within the existing North Ayrshire Council small-grant awarding framework

which has been developed and used in previous rounds of PB and adopted by other local authorities to ensure rigour and consistency.

2.13 It is proposed that the role of the steering group (supported by Council officers) would be to:

- Design the grant criteria, aligned with Locality priorities;
- Issue the call for applications;
- Assess the bids;
- Apply for further funding to reinforce local funds;
- Organise small grant awarding PB events to distribute local funds and build community cohesion and leadership; and
- Monitor the impact of the grants.

2.14 It is proposed that the following funds be allocated via small grant awarding PB:

- Nurturing Excellence in Communities Fund (90%, with 10% of the total fund retained by Locality Partnerships for emergency situations);
- Youth Action Funds – which are already distributed via this approach and which would in future be more closely aligned to Locality Partnerships; and
- Nurturing Excellence in Arts and Culture.

2.11 The value of the NAC funds which are proposed for distribution via participatory approaches in the first phase include:

Nurturing Excellence in Communities Fund	£	97,377
Youth Action– already distributed via this approach	£	50,000
Nurturing Excellence in Arts & Culture	£	6,808
Total	£	154,185

2.13 It is acknowledged that community groups and organisations cannot always foresee financial demands to fit with the timing of a small grant awarding community PB event. This might be because they are newly established or have a specific pressure.

2.14 It is therefore proposed to retain 10% of the Nurturing Excellence in Communities Fund centrally to respond to requests for support by local groups or new groups which require an intervention out with the PB process.

2.15 Remaining local funds include the following:

Elderly Grants	£	59,530
Common Good Funds	£	77,877
Town Charitable Trust Funds	£	45,688
Margaret Archibald Bequest Fund	£	8,730
Speirs Trust	£	3,336
Community Benefit Fund	£	32,355
Nurturing Excellence in Sport	£	8,644
Total	£	236,160

2.16 These funds already have specific criteria attached. It is proposed that these continue to be disbursed via current methods for the time being.

2.17 Proposed funding allocations for Locality small grant awarding PB, allocated pro-rata by population is as follows:

Locality	Nurturing Excellence in Communities – 10% emergency fund	Youth PB	Nurturing Excellence in Arts & Culture	Total available
Arran	£2,937	£1,672	£250	£4,859
Garnock Valley	£13,391	£7,641	£1040	£22,072
Irvine	£25,187	£14,372	£1948	£41,507
Kilwinning	£11,174	£6,375	£870	£18,419
North Coast & Cumbraes	£13,706	£7,820	£1050	£22,576
Three Towns	£21,244	£12,120	£1650	£35,014
Emergency Fund	£9,738			£9,738
Total	£97,377	£50,000	£6,808	£154,185

2.18 The introduction of the steering groups and small grant awarding PB events, together with streamlining the officer requirement for reporting and monitoring small grants, would result in the release of officer time to support groups with external funding applications, develop funding knowledge and skills and stimulate interest in applying for funding.

3. Proposals

3.1 It is proposed that Cabinet:

- Agrees in principle proposals for small-grant awarding participatory budgeting approaches by Locality Partnerships;
- Authorises officers to conclude the development of the proposed process for funding disbursement with Locality Partnerships, to be implemented from 2020/21; and
- Reviews progress at the end of 202/21.

4. Implications/Socio-economic Duty

Financial

4.1 Local grant funding based on the funds included in the above proposals is currently agreed by Locality Partnerships. The proposed change of approach would be implemented within existing resources, systemising deliberative democracy through local community participatory budgeting in the allocation of £154,185 of Council funding. Finance is involved on an ongoing basis in assessing the appropriateness and probity

of small grant awarding PB in North Ayrshire and their support would be sought in designing further processes. Council officers will continue to monitor and evaluate financial expenditure.

Human Resources

- 4.2 The introduction of small steering groups and focused small grant awarding participatory budgeting events, together with streamlining the officer requirement for reporting and monitoring small grants, would result in the release of some officer time for supporting groups with external funding applications, developing funding knowledge and skills and stimulating interest in applying for funding.

Legal

- 4.3 No changes are proposed to the governance arrangements for the making of PB grants. In strict governance terms the Council cannot delegate powers to a Locality Partnership. Accordingly, in common with the Community Planning Partnership, 'decisions' of Locality Partnerships are authorised using the delegated powers of Officers. In relation to PB grants both expectation and practice is that the relevant officer will rubber-stamp the Locality Partnership's recommendation, unless its recommendation is outwith the grant purposes.

Equality/Socio-economic

- 4.4 The purpose of Locality Planning is to reduce inequalities, increase community cohesion and advance community empowerment. It is envisaged that small grant proposals are aligned with the Locality Partnerships' priorities which are based on addressing local needs.

Environmental and Sustainability

- 4.5 Improving the Environment are priorities in the Three Towns and Kilwinning Locality Partnership. Individual applications are likely to specifically address the environment and sustainability issues

Key Priorities

- 4.6 The proposals contained within the report support the North Ayrshire Council Plan priorities:
- Active and strong communities
 - Ensuring children and young people have the best start in life
 - Inclusive, growing and enterprising local economy
 - People enjoy good life-long health and wellbeing.

Community Wealth Building

- 4.7 Local grants support the following pillars of community wealth building:
- Advancing community enterprises;
 - Advancing local ownership of underused land and buildings; and

- Supporting local business activities and increasing the variety of ownership models.

5. Consultation

- 5.1 The proposals contained within this report have been developed in response to CIF small grant awarding participatory budgeting projects brought forward by the Locality Partnerships, through consultation with local people, including young people. The proposals aim to increase participation in local democracy and budget allocation involving more local people than is currently the case within the current process.

Audrey Sutton
Interim Executive Director of Communities

For further information please contact **Rhona Arthur, Interim Head of Connected Communities**, on **01294 324415**.

Background Papers

Appendix 1 - Locality Partnership involvement in distributing small grants via participatory budgeting

Appendix II

Locality Partnership involvement in distributing small grants via participatory budgeting

The Locality Partnerships have helped to develop and deliver two rounds of participatory budgeting. In 2016/17 6 events allocated £103,500 to 152 groups, with 788 people voting at events utilising the 'Dragon's Den Approach'.

A second round concluded in March 2019, using a 'Market Place approach'. This time 103 projects were funded, with £136,406 allocated and 2413 people have voted. Projects funded all supported Locality Planning Partnership Priorities and the process was guided by Locality participatory budgeting steering groups; who were involved in decision making at all stages of the process. Voting was open to anyone aged 8 and above, who lives, works, studies or volunteers in North Ayrshire.

Partnership and thematic approaches to participatory budgeting have also been successful. The funding for participatory budgeting has been a mixture of NAC, Scottish Government, The Ayrshire Community Trust and Health and Social Care Partnership. In 2019, an additional pot of funding, of £30k, from the Green Health partnership, was distributed to 27 projects, with £5k available for bids at each Locality event. A successful Food-themed participatory budgeting event took place in June 2019, with 31 groups taking part.

Young People have taken part in their own process in large numbers. Three rounds, with a pot of £50k per event have taken place. Latterly these have been 100% digital, with projects uploaded onto the Young Scot Website and voting via the same site. Young People aged 8-25 are able to vote using their Young Scot card, or a unique temporary number. In February 2018, 6814 voted on projects supporting Year of Young People Themes. In November 2018, the focus was on Year of Young People Legacy Projects, this was another hugely successful initiative, with 6468 young people voting, the largest such event in Scotland that year.

Locality Partnership involvement in distributing small grants via participatory budgeting

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