

**BUDGET SCRUTINY TASK GROUP
18TH FEBRUARY 2009**

**DEVOLVING BUDGETS
EXTRACTS FROM THE AREA BOARD HANDBOOK**

Purpose of the Report

1. To provide members with the opportunity to discuss issues relating to devolved budgets, as currently proposed and drafted in the Area Board Handbook.

Action Required of the Task Group

2. To note and discuss the implications of the extracts relating to devolved budgets from the Area Board Handbook

Extracts from the Area Board Handbook

3. Objective 2 for Area Boards is 'addressing local issues' - in 'tackling local issues and priorities' the handbook says that one of the activities will be to 'award local grants for local projects which could take the form of a participatory budgeting event'
4. Executive Responsibilities for Area Boards:
 - (a) area boards will conduct participatory budgeting events and allocate funding for local projects
 - (b) annually, the area board will feed the priorities for the community area into the council's budget setting and service planning processes and also into the Wiltshire Assembly
 - (c) area boards will provide grant funding towards the core running costs of the community area partnerships and this funding will be governed by a simple service level agreement to determine how this core funding is used and what activities are deemed to be eligible
5. Resources:
 - (a) for 2009/10 a budget of £750,000 will be allocated for use across Wiltshire's 20 community areas to support local projects and community area partnerships. This budget will be allocated through the 17 or 18 area boards. An equity model has been developed to allocate the funding on the basis of several factors, including the size and density of the population in the community area covered

by the area board and levels of deprivation. A percentage of the budget will be ring-fenced as core funding for the community area partnership, but this will be subject to a bid to the area board before being awarded

- (b) further consideration is being given by the Wiltshire Public Services Board to the potential for area boards to bid to use a proportion of the reward money from the Local Public Service Agreement to address priorities in the LAA at the local level (more to follow on this proposal)
- (c) two Participatory Budgeting trials are taking place in Wiltshire, in the Calne and Salisbury community areas. The outcomes from these trials will further inform how this process could be rolled out across the rest of the county

As the Participatory Budgeting Unit advises, in principle, participatory budgeting directly involves local people in making decisions on the spending and priorities for a defined public budget. Participatory budgeting processes can be defined by geographical area or by theme. This means engaging residents and community groups representative of all parts of the community to discuss and vote on spending priorities, making spending proposals and voting on them, as well as giving local people a role in the scrutiny and monitoring of the process and results to inform subsequent participatory budgeting decisions on an annual or repeatable basis. Approaches can take a number of forms:

- spending parts of specific grant pots
- devolved mainstream council budgets
- setting local authority wide priorities, agreeing projects and spend around an annual revenue budget setting process
- agreeing wider local area agreement, local strategic partnership priorities and spending

- (d) each year, the council consults on its budget priorities with local communities. In the future the area boards will have a role in organising and bringing together local views and local people to contribute to this consultation on the budget

- (e) Community Infrastructure Levy and Section 106 Work

The government is considering new ways of funding infrastructure projects for the future through a Community Infrastructure Levy (CIL). This is a charge which local authorities will be empowered, but not required, to levy on most types of new development in their areas. Local authorities would be responsible for deciding what is appropriate for their areas and this will normally be captured and set out in the Local Development Framework (LDF). The area boards will be consulted on the LDF and thus have a degree of

influence over the priority afforded to certain projects in their areas, i.e. in education, recreation space, equipped play areas, flood defences or health services. Charges would be based on a simple nationally set formula

It has also been proposed that area boards should have an influence over the allocation of section 106 money. A task group of the Spatial Planning Working Group is looking at the issue of infrastructure planning. It is clear, however, that planning agreements must relate to contributions which are necessary to make a particular development acceptable and cannot simply be used to try to deliver a 'wish list' from the community. The role of area boards would therefore be to influence or shape how a necessary contribution is delivered. For example, if the contribution is for 'youth recreation' the boards could suggest to the developer at the pre application submission stage that it take the form of a football pitch as opposed to equipped toddler play areas. Similarly a contribution could be used on a new facility, or to enhance a nearby existing facility owned by a parish or town council

(f) Transfer of Community Assets

The majority of transfers are likely to be reasonably straightforward and non-contentious. The area boards may wish to raise the awareness of the possible transfer of community assets in their area and encourage this to happen where it will be of benefit to the community. Expressions of interest are logged with the council's property services and then applications are considered by officers with the delegated powers to deal with most of them. With more complex proposals, there may be a need to refer them to a higher level for member decision (a relatively simple system without great bureaucracy is currently being designed and the role of area boards will be considered in this)

6. Ways of Working

(a) Structures

From 2010/11 service budgets should include a separation of strategic and locally based expenditure. It is recognised that strategic expenditure is controlled centrally and authorised by the council's cabinet. This is important to ensure an equitable provision across Wiltshire. However, in respect of locality based budgets, it is expected that service providers will consult the area board on how this funding is proposed to be utilised. This might take the form of a locality plan at area level that the board is asked to approve each year

(b) Accountability

Local performance and financial information on local service provision is to be available through the business management programme system to the area boards (accessed by the community area manager or other support staff) on a community area basis, where it makes sense to record and disaggregate data to this level

7. Aiming High for Young People

Local authorities are to be able to devolve up to 5% of their budget for the youth service to young people's influence in 2010 and 2011. The government's long term aspiration is that by 2018 young people could actively shape decisions on 25% of local authorities budget for positive activities. This will be allocated as an 'empowerment fund' (the handbook provides further information on this aspect of devolved budgeting). The task group may wish to invite Mr Coleman to further explore what this means at a future fact finding meeting with officers from DCE.

Conclusion

8. The task group is asked to discuss this paper and to monitor the development of the proposals relating to devolved budgets.

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