

## **EAST AYRSHIRE COUNCIL**

### **POLICY AND RESOURCES COMMITTEE – 13 JUNE 2002**

#### **COMMUNITY BUDGETING CONSULTATION EXERCISE – PROPOSED RESPONSE**

##### **Report by the Depute Chief Executive/Director of Corporate Resources**

### **1. PURPOSE OF REPORT**

- 1.1 To advise members of the consultation exercise currently being carried out by the Scottish Executive in relation to Community Budgeting and to present a draft response from the Council to the Scottish Executive on this subject, for Committee approval.

### **2. BACKGROUND**

- 2.1 The Scottish Executive has invited a range of agencies, including all Local Authorities, to respond to a consultation document entitled “Community Budgeting – A consultation document on local services and community engagement” by the 14 June 2002.

- 2.2 Within the document, the Scottish Executive also advises of the creation of a Community Budgeting Grant, for which a range of organisations can apply. Within East Ayrshire, the most appropriate structures to make application for this grant would be:

- East Ayrshire Community Planning Partnership
- East Ayrshire Coalfield Area Social Inclusion Partnership; and the
- Better Neighbourhood Services Fund Pathfinder.

Partner organisations wishing to apply for the Community Budgeting Grant also require to submit “preliminary expressions of interest” to the Scottish Executive by 14 June 2002. The overall finance available is set at £5million over 2002-2004 (£2million in 2002/03 and £3million in 2003/04).

- 2.3 It is proposed to submit the Council's expression of interest, in receiving some of the Community Budgeting Grant.

### **3. COMMUNITY BUDGETING**

- 3.1 The Scottish Executive, like East Ayrshire Council, is committed to improving public services and ensuring that services offer people and

communities what they want and need. The Executive defines Community Budgeting as:

“... the identification of the level and nature of mainstream spend in local areas by local authorities and other statutory agencies – and the subsequent use of this information to develop and deliver the services that the community demands, potentially through the vehicle of locally based partnership structures and on principles of community engagement, social inclusion and equality.”

- 3.2 The Executive further advises that “community budgeting has the potential to offer one means of providing a more responsive and effective delivery of services at the local level, reflecting the multiple service needs of some communities”, while focused on the Executive’s key priorities of: Jobs, Health, Education, Crime and Transport.
- 3.4 Particular emphasis is given within the consultation document to the advantages of a community budgeting process in identifying the greater demands, resources and needs for services in disadvantaged communities. Emphasis is also given to targeting communities of interest, particularly within a neighbourhood context, for example: young people, travelling people and ethnic minorities.

#### **4. THE CONSULTATION PROCESS**

- 4.1 The Executive has circulated the document to a range of statutory and voluntary sector organisations with the overall aim of using the gathered information to assist in the development of the operational Guidance for the Community Budgeting Grant, referred to at section 2.2 of this report.
- 4.2 To inform the preparation of the Council’s response on this subject, a copy of the consultation document was forwarded to all Directors and Financial Services Managers for comment and consideration.
- 4.3 The draft response to the Scottish Executive, reflecting the various comments received, is attached at Appendix 1.

#### **5. POLICY/LEGAL/FINANCIAL IMPLICATIONS**

- 5.1 Nil

## **6. RECOMMENDATIONS**

6.1 The Committee is asked to:

- i) approve the response to the Scottish Executive in respect of Community Budgeting;
- ii) request that the Depute Chief Executive/Director of Corporate Resources submits an expression of interest to the Scottish Executive in receiving a share of the Community Budgeting Grant; and
- iii) otherwise note the content of the report.

**Fiona Lees**  
**Depute Chief Executive/Director of Corporate Resources**  
**7 June 2002**

### BACKGROUND PAPERS

Community Budgeting – A consultation document on local services and community engagement, produced by the Scottish Executive on 15 March 2002.

**COMMUNITY BUDGETING – DRAFT RESPONSE**

**INTRODUCTION**

East Ayrshire Council is committed to improving public services and ensuring that services offer people and communities what they want and need. The Council currently targets resources on the basis of assessed need, within geographical communities and across communities of interest.

East Ayrshire Council would want the Executive to note its general and ongoing concerns with the increasing use of the bidding process to secure funding of this nature. The Council's view is that if the Executive considers that councils are best placed to take the lead on initiatives such as community budgeting which is designed to underpin the community planning process, then funds should be allocated pro-rata to all councils and not be part of a bidding process. The Council also makes the point that there is much dissipation of effort involved in bidding generally, not all of which produces added value.

Since the Council's inception it has been committed to involving service users and local communities in shaping and developing service provision, both on a locality and authority wide basis. This is evidenced through its seven Local Committees, with devolved responsibility for a range of local decisions and local budgets, e.g. the Council's Carriage and Footway maintenance programme is allocated on a Local Committee basis providing an opportunity for local people to make their own selection on footway projects.

The Council also has a sound track record of working in partnership with external organisations to develop services tailored to locally defined need. A recent example of this is the development of the Dalmellington Area Centre, which is an innovative community initiative that provides council, health, and police services all under the one roof. This is an example that demonstrates the successful aligning of funds and resources to provide seamless access to public services.

**COMMUNITY BUDGETING**

East Ayrshire Council agrees with the principles which underpin the community budgeting proposals, namely greater transparency of public expenditure; aligning resources to ensure maximum impact from the public pound rather than overlap in service delivery; responsive service provision tailored to local need; and greater community engagement.

The Council would however like to express some concern around the definition of community budgeting as contained within the report, in particular the reference

"to develop and deliver the services that a community demands". While the Council is committed to the delivery of services that reflect the needs of local communities and service users, due to limited resources, Councils (or their planning partners) will probably never be in a position to deliver all of the services that local communities demand. As such, the Council feels that any assessment of the outcomes from the initiative should be taken over a period of years and certainly not restricted to activity in any one financial year. Also, any temptation to analyse results in league table format should be avoided.

Councils will always require to carry out an assessment of need, which will take into consideration the expressed and assessed need of the whole local authority area. Therefore in reality, the extent to which a locally based partnership can influence the allocation of mainstream resources to provide services that a community demands will be limited. Again, the need for a long term view on outcomes is emphasised.

East Ayrshire Council recognises the role that Community Planning Partnerships can play in Community Budgeting and as previously demonstrated, local communities have already benefited from statutory and voluntary agencies aligning resources. The Council would welcome the opportunity presented via the Community Budgeting Grant to further develop this area of work with a view to further enhancing local service provision.

The Council would however suggest that without significant additional resources being made available to support the local authority and its planning partners, it would be difficult to roll out this type of programme across all communities, whilst ensuring an equality of access to services.

The Council also recognises that well developed and cohesive Community Planning Partnerships are central to the concept of community budgeting and although effective partnership arrangements exist currently within East Ayrshire, the Council would welcome a statutory responsibility for partner participation in the community planning process being included within the Local Government Bill.

Consideration also requires to be given to the local democratic process and the important role of local elected members when drafting the guidance on community budgeting.

In response to the pilot exercises in community budgeting, although the information collated on overall levels of mainstream spend is of some interest, unless the expenditures analysed are capable of genuine decentralization, they will be of little use in effecting service development within local communities.

In summary, the Council recognises the benefits that community budgeting may have as a tool to ensuring that the overall Social Justice milestones are achieved within targeted communities. However there are some practical reservations

about focusing Economic Regeneration/Employment Projects on small community areas. Whilst a community based approach may be appropriate for certain projects such as "Community Enterprises", mainstream job creation depends on investment, which must be secured in the appropriate place for the investment. The community task is then to ensure that these sources of investment in jobs can be easily accessed from areas of social exclusion. The Council also makes the point that there is much dissipation of effort involved in the bidding process generally, not all of which produces added value. A return to equitable pro-rata allocations across all councils for such initiatives would be preferred.

## **AGENDA**