

**Report of the Director of Environments and Neighbourhoods**

**To the Inner South Area Committee**

**Date: Thursday 1<sup>st</sup> November 2007**

**Subject: Area Committee Well Being Budget and Ward allocation**

**Electoral Wards Affected:**

Beeston & Holbeck  
City & Hunslet  
Middleton Park

Ward Members consulted  
(referred to in report)

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Council  
Function

Delegated Executive  
Function available  
for Call In

Delegated Executive  
Function not available for  
Call In Details set out in the  
report

**EXECUTIVE SUMMARY**

This report seeks to address the query raised by Members at the last Area committee regarding the possibility of splitting the Area Committees' well-being revenue budget down to an individual ward basis. The report provides the background to the origin of the well-being and its historical split to date, how the budget has been allocated in other areas. A number of matters are raised for Members to consider followed by some possible scenarios which could arise were the revenue budget allocated by Ward. Should a Ward allocation be arranged, a number of options are put forward for consideration.

**1.0 BACKGROUND**

- 1.1 The well being budget is agreed by the Executive Board each year to enable the Area Committee to: 'to promote the social, economic and environmental wellbeing of their areas' Part 3, Section 3D (Area Committee Function Schedules). Consequently the wellbeing spend is linked to the key priorities determined by the committee each year in the Area Delivery Plan, which in turn influences the work programme of the area management team.
- 1.2 The Budget is divided in to both a capital and revenue allocations. The revenue allocation is determined by splitting the available city wide resource by both population and

deprivation levels for each ward, on a 75:25 basis respectively. The allocation per ward on this basis is contained in appendix 1.

1.3 As the Area committee has developed there has been an increasing tendency to develop projects and ringfenced budgets which benefit the whole of the area or at least two of the three wards. This is illustrated by the fact that over the past 4 years the amount of well-being funding which has been spent on projects on this basis has increased from approximately 60% to 77% of the total budget.

1.4 Of the remaining 40% to 23% of well-being funding spent solely on an individual ward basis the following proportions are evident: 48% (Middleton Park), 21% (City and Hunslet), 30% (Beeston and Holbeck). When projects have been proposed to take place in a specific Ward they have usually been approved by this Area Committee.

## 2.0 OPERATION OF THE WELL-BEING BUDGET IN OTHER AREAS

2.1 Across the City, three of the ten Area Committees have formally allocated the revenue well-being funding on a Ward basis. In two of these areas this is done after known area wide projects are committed. An additional fourth area informally operates the revenue budget on the principle of equity between the Wards.

2.2 In some other areas (particularly in the inner areas) Area Committees commission activity under their identified ADP themes and officers in the Area Management Team are asked to develop a programme of activities or projects against actions in the plan. Such projects are not necessarily always brought each time to the Area Committee but ratified through the Chair or a small working group of councillors either by occasional meetings or by e-mail with a report to the next Area Committee.

## 3.0 MATTERS FOR CONSIDERATION

3.1 There are various benefits to allocating revenue well being funds to each Ward. These including the following:

- a clear process of equitable and fair distribution of the Area Committee's resources.
- a degree of protection of funding levels which have been ringfenced for each Ward and therefore Members knowing where they clearly stand.
- an enhanced incentive for Ward Members to propose projects that wholly appropriate for their Ward.
- a potentially greater commitment and ownership of the projects being delivered within a single Ward.
- potential for being able to be more speedily responsive to Ward needs.

3.2 There are, however, some matters Members are asked to consider when determining whether or not there should be monies allocated to Ward level:

- **Ringfenced budgets:** The ringfenced budgets of this Area Committee (concerning community consultation and communication, skips and small grants) appears to have worked well. These budgets have allowed this Area Committee to be speedily responsive to community actions and needs and making an impact with relatively small amounts of funds. There may be some concern therefore to see the ringfenced budgets effected if a Ward allocation was arranged. Indeed the Area Committee may wish to develop the idea of ringfencing budgets on other ADP themes as some other areas have done.

- **Cross inner south area initiatives:** Ward based allocations could make it difficult to establish cross area initiatives where identified. As demonstrated in the past and currently, cross area wide projects make a significant impact in all the Wards e.g Youth Bus and Priority Neighbourhood Development Worker.
- **The difficulty in some areas:** for some projects it can be difficult to clearly say they are benefiting just one particular Ward only. This commonly occurs in projects covering Beeston Hill locality where residents benefiting from the project can be both living in Beeston and Holbeck Ward and City and Hunslet Ward. This would make it difficult to clearly allocate proportions to specific Wards with the view that only residents in that Ward would benefit.
- **Economy of scale:** it has been efficient use of time and staff resources and reduces duplication of effort to commission projects potentially with the same delivery organisation for all three Wards where the projects have the same goal/issue being tackled rather than commission separately for each Ward.
- **Managing projects.** Well being funded projects have generally been more effectively managed and monitored by the Area Management Team when the projects have been larger and there's been fewer of them rather than lots of smaller projects funded by the well-being budget. A Ward allocation may result in several smaller scale projects. For small scale projects within each ward, Members may wish to consider the appropriateness of Ward Members' MICE money compared with the Area Committee's revenue well-being fund.

#### 4.0 SOME SCENARIOS

It would be advised for Members to set up some procedures in the eventuality of the following potential scenarios:

- a) **If one ward does not spend their allocation in the financial year.** Although well being balances have so far been carried over to the following year, this is never always guaranteed. As a result there is a danger that any monies allocated to one Ward that has not been spent could be lost were there to be a corporate decision to disallow roll forward.
- b) **One Ward spending another Ward's uncommitted allocation.** It has been good practice in this Area Committee to commit well-being funds by the end of the financial year in order to avoid a build up of unspent funds. With this in mind to what extent could one Ward's unspent allocation be used by another Ward? Could there be a cut off point after which the Ward's allocation can be accessed by other Wards that have spent up and have schemes coming forward?
- c) **Where there is disagreement within a Ward.** Not all Members within a Ward may disagree to spending on a particular project within their ward.
- d) **Where there is disagreement between one Ward and another.** Members of the Area Committee from Wards 'A' and/or 'B' could disagree with projects (e.g because the project does not fit the Area Committee's ADP) which have come forward from Ward 'C'. Would it be expected therefore that projects within a single Ward should still come to Area Committee for approval?
- e) **Inner south area wide projects -** A new area wide project may be identified during the course of a financial year after funds may have already been allocated on a Ward basis and where there may be insufficient funds in any pot of funding that Members may have created.

## 5.0 OPTIONS FOR ALLOCATING THE REVENUE WELL-BEING BUDGET BY WARD

### 5.1 The current basis for allocation to Area Committees:

Revenue well-being funding is allocated across the city on the basis of 75% population and 25% deprivation. The indicator used for deprivation has been: 'numbers of people receiving council administered benefit'. However Members may wish to consider the use of other deprivation indicators (see 5.2 c)

### 5.2 Other options for allocating the revenue well-being budget by Ward

Whilst the above is the logical option for allocating monies down to Ward level, Members may wish to consider the following other options (the actual % allocation per Ward is in table 1 after the description of these options. An illustration of potential allocated amounts based on these percentages follows in table 2):

**a) Equal allocation per ward?** An equal split by the 3 Wards would be quite an informal and quick decision to take and would appear to be fair, however this would not take into account any other factors such as the differences between the Wards in terms of population, deprivation levels, resources Wards have and currently receive and also cross area wide initiatives.

**b) Based on criteria of population only?** There is over 7,000 population difference between the highest populated Ward, Middleton Park (based on last census) and lowest populated Ward, City and Hunslet. Whilst this clearly is another simple and quick way of allocating to Wards, it could be deemed to be unfair as it would not be taking into account other key differences between the Wards such as deprivation levels and resources that Wards have and currently receive, cross area initiatives.

It could be argued that the above mentioned Ward differences are probably particularly relevant to the use of the well-being budget which is for the 'social, economic and environmental well-being' as opposed to being based on per head of population. The following options then take account of these other factors.

#### c) Based on deprivation levels only? But which deprivation indicator could be used?

- i) The original criteria used for splitting allocations across the city was as stated in 5.1: 'numbers of people receiving council administered benefit'. Based on Oct 2006 figures, out of the total population receiving benefit in Inner South, the Wards would have the share indicated in the table.
- ii) Based on those Wards which have the most 3%, 10% or 20% deprived neighbourhoods (according to the Index of Deprivation 2004). As table illustrates on the basis of 3% City and Hunslet would receive the highest proportion of the well being; on the basis of 10% and 20% Middleton Park Ward would receive the highest proportion of the well being.

Using deprivation indicators on their own of course does not take into account the other differences such as population, resources that Wards have had and currently receive and cross area initiatives.

**d) Based on ADP priority theme and/or an allocation to area wide initiatives plus Ward allocation.** This is where the ward allocation would be on the basis of population and/or deprivation as per the above options in part c). This option takes into account the interests of each Ward, the ability to provide cross area wide projects to meet needs common to all Wards, and/or ensures that ADP priorities are met.

### 5.2 Table 1: The above options for how to allocate funds to Wards are summarised in table 1 appended. The relevant % figure used to calculate what proportion a Ward could

receive is also shown. When this % is applied to the agreed total amount of well-being to be split up, this then results in the actual amounts Wards would receive (see illustrative example in table 2 in appendix 2):

Other factors which in the past has sometimes effected the weighting of funding levels has been as follows: how much external or internal resourcing there already has been into a Ward e.g Parts of Beeston and Holbeck and City and Hunslet Wards have received SRB4, Neighbourhood Renewal Funding and European Funding and is subject to a potential injection of PFI funding. Middleton Park Ward has not received the same level of funding but has received SRB5 funding and Estate Action monies. Currently each Ward has received the benefits, albeit at varying amounts, of the Intensive Neighbourhood Management work.

As it is unknown what kind of formula could be used for a share of external resources , this option has not been taken into account in the above % figure.

- 5.3 **Table 2:** The table as in appendix 2 provides an illustrative example only of potential amounts Wards would receive should the % in table 1 be applied to the Area Committee's well-being budget. It is based on the current allocation for 2007/08 although Members need to note that a large proportion of this has already been committed and spent. It is easier to consider it in the light of a new financial year although if Members wished , it could be applied to the remaining budget for 07/08 (approx 65k prior to this meeting).

Of the 238k well-being revenue that's been allocated to the Area Committee for 07/08 this has breaks down to:

141k regular cross area wide projects (e.g N'bourhood Worker, Youth Bus, I Love South Leeds),

41k regular cross area area committee ringfenced budgets (skips, small grants, consultation)

56k for various other projects in 1 or more Wards.

For the purposes of this illustration the % figure in table 1 is applied to only the figure of 56k for Ward specific projects.

## 6.0 OTHER CONSIDERATIONS FOR THE AREA COMMITTEE

Members may to consider trialling a small amount of funding allocated per Ward and review within a 3 month period.

Would all Ward based projects coming forward still come to Area Committee meeting for formal approval? Would it come if it was over a certain amount? Could perhaps smaller amounts be agreed between officer and all Ward members? Would there need to be 100% agreement (confirmed by e-mail) by all councillors for a project within the Ward for that project to go ahead without it coming to Area Committee?.

## 7.0 LEGAL & RESOURCE IMPLICATIONS

- 7.1 There are implications on how existing and future projects are funded within each Ward and across the area.

- 7.2 Part 3, Section 3D (Area Committee Function Schedules): 'Area Committees also have powers to promote the social, economic and environmental wellbeing of their areas. They each have a wellbeing budget to discharge this function. This is covered by a three year capital allocation and an annual revenue allocation'.

- 7.3 Part 3, Section 3D (Area Committee Function Schedules): 'Decisions taken in relation to the utilisation of Wellbeing budgets within the framework of the Council's Constitution and

in accordance with Section 2 of the Local Government Act 2000. Specifically Area Committees will seek to:

- enhance service delivery outcomes within their area;
- support the social, economic and environmental wellbeing of their area (in accordance with approved Area Delivery Plans)

## **8.0 IMPLICATIONS FOR COUNCIL POLICY AND GOVERNANCE**

- 8.1 Under the Area Committee Terms of reference (Executive Function) the Area Committees role is : 'to promote and improve the economic, social and environmental wellbeing of the Committee's area'
- 8.2 Area Committee Procedure Rules: 'The Local Government Act 2000 provides for the Executive to make arrangements for functions which are the responsibility of the Executive to be discharged by Area Committees. In exercising these functions each Area Committee is accountable to the Executive'.

## **9.0 RECOMMENDATIONS**

To note and comment on this report and in particular to:

- 9.1 To determine which of the options for allocating the revenue well-being budget as outlined in section 5 of this report.
- 9.2 To determine whether the option chosen should be within 07/08 financial year or request officers to prepare a start in 08/09
- 9.3 To determine whether there should be a trial such as for 3 months for a Ward based allocation either for the remainder of 07/08 or to prepare this approach for 08/09?.
- 9.4 For Ward Members to come forward with schemes to fit the Area Committee's ADP to be carried out in Wards either within 07/08 or which could be included into the 08/09 ADP ready for implementation for each Ward.

**AREA FUNCTION SCHEDULE**

<b>DESCRIPTION OF FUNCTION:</b>
Area Committee Revenue & Capital Well-Being Budgets
<b>EXECUTIVE MEMBER(S) PORTFOLIO:</b>
Executive Member – Neighbourhoods & Housing
<b>RESPONSIBLE DIRECTOR(S):</b>
Director of Environment and Neighbourhoods
<b>MINIMUM SERVICE EXPECTATIONS</b> <i>(to be applicable to all Area Committee areas)</i>
Decisions taken in relation to the utilisation of Well-Being budgets within the framework of the Council's Constitution and in accordance with Section 2 of the Local Government Act 2000. Specifically Area Committees will seek to: <ol style="list-style-type: none"><li>1. enhance service delivery outcomes within their area</li><li>2. support the social, economic and environmental well being of their area (in accordance with approved Area Delivery Plans)</li></ol>
<b>TOTAL RESOURCES AVAILABLE ON AN AREA BASIS</b>
<b>Revenue 2007/08</b> : Net Budget £1,967,100 (2006/07 Net Budget £1,890,711)
<b>Capital 2007/08</b> : £1,000,000 (First year of a 3 year allocation) (£3,500,000 – 3 year programme 2004/05 to 2006/07)
<b>General Fund Reserves 2007/08</b> : Additional one-off allocation £500,000 (£50,000 per Area Committee)
<b>AGREED BY THE EXECUTIVE BOARD:</b>
Date: May 2007

## APPENDIX 1

### AREA FUNCTION SCHEDULE: WELL BEING

Expectations of the executive and allocation of resources by the executive to each Area Committee.

	East		North East		North West		South		West	
	Inner	Outer	Inner	Outer	Inner	Outer	Inner	Outer	Inner	Outer
<b>Area Based Resources:</b>										
Financial	£)									
Revenue	285,080	212,120	170,110	137,660	210,920	195,880	238,240	199,880	147,490	169,720
	£)									
Capital	125,930	113,270	90,836	73,504	112,627	104,601	109,359	106,735	72,512	90,626
	£)									
General Fund Reserves	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

- **The revenue well being allocation reflects a 2% inflationary uplift on last year's figures.**
- The total capital allocation is £1mn per year for the next three years. The figures represent the allocation for 2007/08.
- An additional one-off budget of £500k has been made available to Area Committees (£50,000 per area) from General Fund Reserves for 2007/08.
- As with previous years, it is anticipated that any unspent revenue and capital balances at the end of March 2007 will be carried forward into the current financial year.



Table 1

This table lists the relevant % figure used to calculate what proportion of well being budget a Ward could receive depending on which of the options outlined in para 5.1 and 5.2 are followed

Option	Proportion each Ward could receive		
	Beeston & Holbeck	City and Hunslet	Middleton Park
<b>1. Based on NO formal Ward allocation and therefore leave as current</b> but could be on an agreed principle of fair distribution across Wards	Variable % according to projects commissioned.		
<b>2. The current basis for allocating well-being to Area Committees</b> ie 75% population and 25% deprivation (as per no.s of people receiving council administered benefit) and using this as the only criteria to allocate well-being budget.	33% population Plus  29% (based on benefit take up criteria)	28% population  31% (based on benefit take up criteria)	39% population  39% (based on benefit take up criteria)
<b>3. Based on equal allocation per Ward</b> without considering any other factors	33%	33%	33%
<b>4. Based on criteria of population only</b>	33% (B&H Ward has population of 21988)	28% (C&H Ward has population of 18149)	39% (MP Ward has population of 25329)
<b>5. Based on allocation by deprivation only</b> (no.s of people receiving council administered benefit)	29% (5,473 claimants)	31% (5,843 claimants)	39% (7,377 claimants)
<b>6. Based on allocation by deprivation only (3% worst neighbourhoods only per Ward)</b>	11% (has 1 SOA)	67% (has 6 SOA)	22% (has 2 SOA)
<b>7. Based on allocation by deprivation only (10% worst neighbourhoods only per Ward)</b>	24% (has 6 SOA)	32% (has 8 SOA)	44% (has 11 SOA)
<b>8. Based on allocation by deprivation only (20% worst neighbourhoods only per Ward)</b>	23% (has 7 SOA)	32% (has 10 SOA)	45% (has 14 SOA)
<b>9. Based on ADP priority theme and/or an allocation to area wide initiatives 77% of budget plus Ward allocation</b> (on basis of either population and/or deprivation criteria or equal split). 23% of whole budget	Proportion = using one or more of the above options 2-8 to allocate by Ward from 23% of the whole budget.	Proportion = using one or more of the above options 2-8 to allocate by Ward from 23% of the whole budget.	Proportion = using one or more of the above options 2-8 to allocate by Ward from 23% of the whole budget.

**Table 2**

This table provides an illustrative example only of potential amounts Wards would receive should the % in table 1 be applied to the Area Committee's well-being budget. It is based on the current allocation for 2007/08 and applied in particular to the remaining balance of 56k after the regular area wide and ringfenced amounts have been separated.

Option	Proportion each Ward could receive		
	Beeston & Holbeck	City and Hunslet	Middleton Park
<u>1.</u> Based on NO formal Ward allocation and therefore leave as current	Variable % according to projects commissioned but could be on broad principle of fair distribution across Wards. Each Ward therefore receiving approx 18k worth of projects.		
<u>2.</u> <b>The current basis for allocating well-being to Area Committees</b> ie 75% population and 25% deprivation (as per no.s of people receiving council administered benefit) 75% x 56k = 42k 25% x 56k = 14k	14k for population + 4k for deprivation  = total 18k	12k for population + 4k for deprivation  = total 16k	16k for population + 5k for deprivation  = total 21k
<u>3.</u> Based on <b>equal allocation per Ward</b> without considering any other factors	18k	18k	18k
<u>4.</u> Based on <b>criteria of population only</b>	18k	16k	22k
<u>5.</u> Based on <b>allocation by deprivation only</b> (no.s of people receiving council administered benefit)	16k	17k	22k
<u>6.</u> Based on <b>allocation by deprivation only (3% worst neighbourhoods only per Ward)</b>	6k	38k	12k
<u>7.</u> Based on <b>allocation by deprivation only (10% worst neighbourhoods only per Ward)</b>	13k	18k	25k
<u>8.</u> Based on <b>allocation by deprivation only (20% worst neighbourhoods only per Ward)</b>	13k	18k	25k
<u>9.</u> <b>Based on ADP priority theme and/or an allocation to area wide initiatives/ringfenced approx 77% of budget plus Ward allocation</b> (on basis of either population and/or deprivation criteria). Approx 23% of whole budget .	between 6k and 18k depending on which of the above options are used	Between 16k and 38k depending on which of the above options are used	Between 12k and 25k depending on which of the above options are used

nb Figures are rounded to nearest 10. There's a 1k variation.