

## Area Panel May 2018

# Briefing Paper: The Estates Development Budget

### 1. Introduction

1.1 The Estates Development Budget (EDB) is a pot of money set aside from the capital works budget for groups of residents to bid for funding for community projects that lead to:

- a) An improvement to a council housing owned building or community facility
- b) An improvement to council housing owned land or local environment
- c) An improvement that benefits the community and the quality of life of tenants

1.2 The budget is divided between the four Area Panel geographic areas based on the number of properties in each.

1.3 The amount of money available in the EDB has been reducing from £518,000 in 2017/18 to £348,000 in 2018/19. The reduction would have been greater had the budget not been topped up by reserves from historic EDB underspends. The provisional figure for 2019/20 is £354,000 and £183,000 in 2020/21. It needs to be noted that the provisional figures include Mears agreed overheads and that the funds allocated for the bids will be less. These figures are subject to approval during the budget setting process each year but we need to work on the assumption that the decreases will happen and review current procedures and practices to make best use of the budget available.

1.4 There are further drivers to review current practices:

1.5 A recent audit of EDB which found that improvements in our processes had to be made, to ensure:

- a) There is clarity on where the funding comes from, its purposes and that although residents have an important role to play in its allocation the principles of making best use of council resources and to achieve value for money, need to be met in projects funded this way.
- b) Better recording and documentation by residents making bids of any meetings where discussion takes place regarding the bids that they wish to progress for EDB to show who attended and the decisions made.
- c) That bid forms are supported by appropriate detail in order to progress to the Area Panel for consideration to include estimated costs, dimensions, photographs and plans.

- d) There is contract compliance for EDB, as with other areas of work carried out within the repairs partnership and processes are in place to review EDB project quotes and final costs and that cost variations must be approved by BHCC before work takes place.

1.6 It is proposed the review is in two parts; short term changes to be introduced for 2019/20 and longer term changes to take effect from 2020/21 when the budget is substantially reduced.

1.7 This report sets out our proposals to make short and long term changes to EDB to meet these recommendations and to make best use of the reducing amounts of money available.

## **2. Short term changes**

2.1 A special meeting of the EDB Panel was held on 2 May 2018 to consider the following changes to the 2019/20 programme:

**2.2 Proposal 1** - Reducing the main bid limit from £15,000 to between £8-£12,000.

**2.3 Reason for proposal** – with less money available overall, if the maximum value of bids is reduced, more groups will benefit from EDB. At the recent round of bidding panels only one £15,000 bid was agreed which suggests that panels were trying to be fair in the decisions they made.

**2.4 Decision** – The EDB Panel agreed the maximum value of main bids should be £10,000.

**2.5 Proposal 2** - That Area Panels set aside a reduced amount for quick bids (£10,000 - £15,000) rather than the present £20,000

**2.6 Reason for proposal** – The overall reduction in money leads to the question of whether there should be a reduction in money set aside for quick bids to ensure there is more available in the main bid fund. This proposal is supported by the fact that all 4 areas underspent their quick bid budgets in 2017/18.

**2.7 Decision** – The EDB Panel did not agree with this proposal and felt that each area should still have the discretion to make the decision on how to allocate their overall budget between the quick and main bid ‘pots’.

**2.8 Proposal 3** - To reduce the number of main bids from 4 to 3 and reduce the number of quick bids from 5 to 4 if the quick bid pot is reduced (otherwise to leave at 5 quick bids a year).

**2.9 Reason for proposal** - The overall budget has reduced by £180,000 this year and is likely to remain at that level next year before being

substantially reduced. The current maximum number of bids was set when the budget was higher. The number of bids submitted by associations this year indicates an appreciation of reduced funds with only two associations across the city submitting 4 bids.

**2.10 Decision** – The EDB Panel agreed to reduce the number of main bids per group from 4 to 3. As they did not support the changes to the quick bids set out in 2.5 above, the second part of this proposal, on the number of quick bids, was not considered.

**2.11 Proposal 4** – Associations and groups who want to make a bid to the EDB hold a general meeting by the end of July to discuss their bids with residents.

**2.12 Reason for proposal** - This will help groups to work on their bids earlier and allow officers to support the development of more successful bids. The final submission date will still be in November but if stronger bids are developed earlier on more time is available to cost and carry out checks. It is proposed that an EDB 'application event' is held in June for groups interested in making bids to attend. This will have information about previous successful bids, surveyors in attendance to discuss potential bids, guidance on how to fill in application forms and information on other sources of funding for groups.

**2.13 Decision** - The EDB Panel agreed to this.

### **3. Longer term changes**

3.1 It is anticipated that the proposals for change that have been agreed by the EDB Panel will lead to improved bids going forward and a more equitable allocation of the money available. Further changes will be needed when the overall money available reduces in 2020/21 to again support fair allocation of funds and making best use of the money available.

3.2 It is therefore proposed that a task and finish group is set up to work on these longer terms changes. Membership will be drawn from the following groups; the EDB Panel, resident vice chairs of the four Area Panels and a member from each of the 4 service improvement groups. Part of the role of this group will be to develop a set of proposals to go forward for wider consultation, so that all residents have an opportunity to comment on changes that are being considered.

3.3 This group will meet between July and September with the aim of reporting to the October Area Panels, then to the November Housing & New Homes Committee.

## **4. Recommendations**

4.1 Area Panels are asked to support the proposals agreed by the EDB Panel to make the following changes to the 2019/20 EDB programme:

- a) The maximum value of main bids is set at £10,000.
- b) The number of main bids a group can submit in any one year is 3.
- c) Associations and groups who want to make an EDB bid must hold a general meeting by the end of July to discuss their bids with residents.

4.2 Area Panels are asked to support the proposal for the formation of a 'task and finish' group to review longer terms changes to the EDB Programme.

## **5. Conclusion**

5.1 The short term changes will provide scope for groups to put forward more robust bids and enable the funding that is available to be allocated more widely. They will also ensure that we meet the audit recommendations for improvement.

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**4 May 2018**