Committee and Date

Cabinet

13 December 2017

Environmental Maintenance Grant Programme - proposals for changes to the design and delivery of the programme

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1. Summary

Shropshire Council's Highways and Transport team has operated the Environmental Maintenance Grant (EMG) programme for the last 8 years. The programme has operated successfully and is seen as delivering a number of benefits.

The recipients of the grants are overwhelmingly rural parish councils and a small number of town councils. There is one community group using a grant to enable local residents to carry out litter picks and environmental tidy-ups.

Feedback from local councils that have received an EMG is that a review of the design and delivery of the EMG programme is needed. Their general view is that the grants are welcome, valued and a practical way for Shropshire Council to support locality working.

There is an alternative view, which is that the current grants system doesn't achieve a critical mass to make community and service impacts and generate financial efficiencies, and should be stopped, within an agreed and communicated process.

Finally, there is the view that as Shropshire Council is still in the challenging position of budget reductions and increasing expenditure, it simply cannot afford to continue to fund the EMG programme and the activity could be funded directly by local councils.

At its meeting of 4th September 2017, Shropshire Council's Communities Overview Committee confirmed Terms of Reference for a time limited Task & Finish Group to review the EMG programme.

The purpose of the Task & Finish Group was agreed as making recommendations on Shropshire Council's future approach to its EMG programme, e.g. the programme is stopped, the programme continues as is, or the programme is redesigned and continues.

To inform this work the design and the delivery of the current programme – e.g. its budget, the application process, any monitoring and evaluation and the overall outcomes achieved by the programme needed to be understood.

These considerations were made in the context of Shropshire Council's extremely challenging financial position. Members of the Task & Finish Group wanted to consider if continuing the grant programme was a sustainable position at a time of declining revenue budgets, and what added, social and preventative impact is enabled through the investment of the grant.

The status of the EMG programme is a grant programme and as such, Shropshire Council is able to make changes to the delivery of the programme at any point. However, within the 2017/18 EMG application paperwork Shropshire Council advised potential applicants that the EMG programme would be reviewed and that the outcome of this review would be consulted on.

This report summarises work undertaken by the Task & Finish Group and the recommendations confirmed at its workshop on 16th November 2017. These recommendations were confirmed at a meeting of the Communities Overview Committee on Monday 27th November 2017, and it is from that meeting that the Committee makes these recommendations to Cabinet.

Recommendations

Shropshire Council's Environmental Maintenance Grant programme should continue with the following changes to its design and delivery –

i. Changes to eligible activity
The activity eligible for funding from the programme should be the activity that brings most added value to the delivery of Shropshire Council's Highways term maintenance contract. i.e. supporting Shropshire Council's status as a Level 3 Asset Management Authority.

ii. Application eligibility
The eligible applicants should be limited to Shropshire's rural town and parish councils. Urban town councils a population of over 10K should be ineligible to apply.

iii. Value for money and incentivising added value
The grant should not be used to top up core budgets but should be used for discrete maintenance purposes. Applications should be scored according to how they demonstrate value for money and provide added value to the core funding and activity. Examples of VFM and added value should be –

- Councils demonstrating that they are committed to their effective delivery of environmental maintenance works in their areas by contributing to or matching grant funding.
- Demonstrating that councils are working together to provide economies of scale and reduce costs, e.g. multiple parishes let 1 contract.
- The design of activity that clearly creates social value, the appropriate use of volunteers to add value to the core activity

iv. Design of the funding programme
Funding decisions should be made for a 3 year period, e.g. 2018/19 – 2020/21. This will reduce bureaucracy associated with the application process and provide more time for monitoring and evaluation of applications. It should also enable local councils to let 3 year contracts that offer greater value for money with confidence. It is recommended that the EMG programme is

reviewed in year 2 and a decision then made about the future of the scheme, from the end of year 3. If the decision is made to end the EMG programme at this point, a 12 month notice period should be given.

v. Annual value of the funding programme
The annual value of the programme should be £75,000. There will be no increase to this amount.

vi. Value of individual grants
The maximum value of individual grants should be £1500 p.a. There should be no increase to this amount.

vii. Application criteria, guidance notes and monitoring.
The guidance notes accompanying the application process should be reviewed and rewritten to ensure that there is absolute clarity about the design and delivery of the grant funded activity. There should be a particular focus on health and safety. This should also include a more robust approach to monitoring the funded activity through the completion and submission of an annual report from each recipient, and a process for this should be designed and implemented. A process should be put in place to ensure appropriate signing off of the annual reports.

viii. Consultation on proposed changes to the EMG programme
A 6 week consultation period should be delivered in early 2018 on the proposed changes to the EMG programme.

ix. Delegated authority
Approval is sought to delegate authority to the Head of Infrastructure and Communities in consultation with the Portfolio Holder for Highways and Transport to implement the revised EMG programme detailed specification following the consultation.

REPORT

1.0 Risk Assessment and Opportunities Appraisal

3.1 Assessment of risk

- There is a risk that ending the EMG programme will be seen as Shropshire Council demonstrating that it does not value local communities, recognise the efforts they are making to maintain and improve their environment or that it wants to work in partnership with them.
- There is a risk that ending the EMG programme will erode the levels of good will that currently exist between Shropshire Council and local councils, which has a positive effect in other areas of work.
- There is a risk that ending the EMG programme will result in the activity that is currently being delivered stopping, particularly in the most rural areas, as there is no guarantee that local councils will fill the gap left through the total withdrawal of the grant.
- There is an ongoing risk to the Highways revenue budget as it finances an ongoing revenue grant programme whilst making reductions to its other frontline and operation services due to revenue pressures.

- The EMG funded activity is not captured accurately to enter Shropshire Council's asset database. There is a risk that knowledge and service intelligence is not captured.

3.2 Assessment of opportunities

- The continuation of the EMG programme will provide an opportunity for Shropshire Council to maintain an effective partnership with local councils, which will support other areas of work and activity.
- The continuation of the EMG programme is an opportunity to demonstrate that localism in Shropshire has not been lost, even in these difficult times of austerity.
- Redesigning the grants programme will enable Shropshire Council to shape and influence how social action is created in communities, and how social value is generated through the medium of people improving their local environment.

2.0 Financial implications

2.1 The Highways revenue budget is top sliced to fund the EMGs, there is no specific budget, other than reducing existing revenue. The allocated budget is £110,000 per annum out of a total revenue and capital budget of £26,881,500.

The £110,000 is the equivalent of the operational budget for 10 pot holes gangs of the county for one month, or significant resurfacing of a road, kilometres of road markings provided. The current revenue reductions and savings provide a negative pressure on day to day services. The revenue budget is 100% funded by Shropshire, Capital budget is 100% externally funded.

The grants place a revenue pressure on the highways services, whilst simultaneously other front line services are being pressured due to revenue budget reductions.

4.2 It was agreed to increase the EMG programme to £152,000 in 2017/18 to meet the demand of and increased number of applicants. There is a tension between the highway revenue budget reducing year on year whilst the EMG programme budget stays the same.

4.3 Contrary to what many local councils understand, the EMGs do not actually have any savings impact on the amount Shropshire Council spends with its term maintenance contractor on planned and programmed work. If there is a cost saving to emerge, it will benefit the term maintenance contractor as they could find themselves in the position of not having to complete work that has been delivered through EMG funded activity.

4.4 Summary of EMG programme activity 2010 – 2017

Year	Core budget	Actual total grant value of grants awarded	No of grants awarded
2010/11	110,000	109,006	65
2011/12	110,000	103,072	63
2012/13	110,000	107,991	65

2013/14	110,000	106,877	62
2014/15	110,000	114,052	65
2015/16	110,000	101,392	57
2016/17	110,000	152,043	72
2017/18	110,000	152,000	96

4.5 Summary of the 2017/18 EMG applications

96 local councils made an application and received funding. The eventual total budget allocation was £152,000 (an increase of £42,000 on the core budget of £110,000). The total value of the applications was £200,843, a 32.13% increase on 2016/17.

The programme was oversubscribed by £48,843 (@£152k)… or £87,343 of the original £110,000. Therefore 75.68 % of the original application values was agreed and funded.

3.0 Scrutiny and Task & Finish Group

3.1 The report (excluding the detailed appendices) considered by the Communities Overview Committee at its meeting on 27th November 2017 is included as **Appendix 2**. A copy of the full Scrutiny report can be viewed at: http://shropshire.gov.uk/committee-services/documents/b11944/Environmental%20Maintenance%20Task%20and%20Finish%20Group%20Report%2027th-Nov-2017%2014.00%20Communities%20Overview%20Co.pdf?T=9

3.2 In confirming recommendations, Scrutiny considered the outcome of a Task and Finish Group Workshop, which took place on 16th November 2017. The Group heard from a range of witnesses and considered a range of evidence and information including:

3.3. Scrutiny confirmed the following recommendations at its meeting on the 27th November 2017:

A. To confirm the recommendations made by the Task & Finish Group at its meeting of the 16th November 2017 as detailed below.

4.0 The Task & Finish Group

4.1 Questionnaires were sent to all town and parish councils regardless of whether or not they had received an EMG. Responses from 51 councils/organisations were received.

5.2 Summary of questionnaire feedback –

- EMG funded work is of a higher standard than Highways contractor work
- EMGs enable local councils to be more responsive to local issues
- EMGs enable local councils to deliver environmental maintenance works without raising their precept
- The work is delivered by local people with local knowledge

- Local members feel connected to the EMG funded work, which leads to a sense of control, empowerment and ability to respond quickly to local issues
- The EMG work is seen as reducing demand on Shropshire Council services and saving Shropshire Council money
- Local councils would like to see more scrutiny and monitoring of the grant programme
- Some local councils are already match funding the EMG and others would be willing to
- Respondees would like to see the EMG programme continue

5.3 Interviews were carried out with a small number of clerks of councils that receive EMGs.

There were mixed views on the complexity of the application process - some found application process easy, and others found it difficult. It was felt that first time applicants were more likely to find it hard and maybe the process is less complicated for smaller grants.

It was felt that the timings and timescales on grant approval and payment was out of sync with budget setting – some precepts are set before Christmas.

It was also felt that firmer guidelines were needed on how the grants are to be spent.

Through the interviews, it was established that clerks thought that the funding supports local budgets, provides savings that are 'hidden' e.g. work on ditches will reduce surface flooding and reduce maintenance costs, and adds to the 'contentment of communities'.

The fact that local people are employed to deliver the EMG funded work was seen as a positive, as was activity such as gritting on pavements in outlying areas, which was seen as a making a saving to Shropshire Council as a centrally located gritter didn't have to be sent out to very rural locations.

Finally, it was noted that some local council budgets are set with an assumption that the EMG will automatically be awarded, and that grants are being used to fund activity that is not on highway land.

5.4 Representatives of local councils, a community organisation and a contractor delivering lengthsman activities joined the workshop for a 90 minute question and answer and discussion session.

Organisation represented	**Name**	**Link to EMG programme**
Various rural PCs across south Shropshire	Eileen Reynolds	Clerk to PC that uses EMG
Various rural PCs across south Shropshire	Jayne Madeley	Clerk to PC that uses EMG
Cleobury Mortimer Town Council	Matt Sheehan	Clerk to PC that uses EMG
Church Stretton	Danny Chetwood	Clerk to PC that uses

Town Council		EMG
Church Stretton Pride of Place	Trevor Halsey	Clerk to PC that uses EMG
Various rural PCs across central and south Shropshire	Rebecca Turner	Clerk to PC that uses EMG
Environmental Maintenance Officer for Munslow, Diddlebury & Culmington.	Gary Trim	Delivering EMG funded lengthsman activity Also a councillor for PC that uses EMG

5.5 Summary of the final thoughts that emerged through discussion –

- The EMGs offer value for money and have a wider benefit to Shropshire Council for creating a high quality environment
- If Shropshire Council wants to have pride in its county, it should do what it can to help local councils to help Shropshire Council to achieve this
- Health & Safety has to be a priority
- Rural road networks have to be kept safe and clear to enable residents to travel to work and school
- Can Shropshire Council afford not to continue with the programme, given all the evidence it has heard at the workshop
- No EMGS will result in a worsened environment leading to fewer tourists and less economic growth activity
- Town councils could not guarantee to be able to continue with the same level of environmental maintenance in their towns if they didn't have an EMG.

6.0 Consultation

6.1 Proposed communication and consultation timeline

Date	**Action**
27th November	Communities Overview Committee meeting
	Consultation and application materials preparation – staff briefing
13th December	Cabinet report – approval to consult sought
21st December	Communication with TPCs advising them of intent to consult (subject to call in period)
2nd Jan	Consultation starts (survey monkey, TPC Forum)
13th Feb	Consultation ends
14 – 22nd Feb	Evaluation
23rd – 28th Feb	Delegated authority to proceed *
1st March	2018/19 EMG programme opens *
30th March	2018/19 EMG programme closes *
w/b 1st April	Grant assessments*
w/b 14th April	Grants awarded*

* Dependent on Cabinet recommendations

7.0 Equality & Social Inclusion Impact Assessment (ESIIA)

7.1 An Equality and Social Inclusion Impact Assessment is attached to this report as Appendix 5. This will be updated following the outcome of the proposed consultation.

8.0 Conclusions

8.1 The Task & Finish Group considered that the EMG programme achieves 2 important things –

- the delivery of the actual grant funded activity
- the way EMGs make the local councils feel, i.e. supported and trusted by Shropshire Council to design and deliver their own environmental maintenance programme, which in turn results in a sense of empowerment and local ownership over the resolution of programmed and reactive works.

Consequently, Task & Finish Group members felt that there was a balance to be achieved between the value generated by the existence of the programme and the value of the EMG funded activity through a redesigned scheme, alongside Shropshire Council's budgetary constraints and the need to make fiscal savings.

8.2 It was demonstrated through the workshop that EMG funded activity makes a big difference to day to day life in very rural areas, where local lengthsmen are most active. It could be argued that this is where EMGs are making their greatest impact and where their loss would be most keenly felt.

8.3 It was agreed that many of the issues of concern that were raised through the workshop could be addressed by a review and update of the guidance, criteria and health and safety advice that is supplied through the application process. It is recommended that these are reviewed and updated in light of what has been discovered through the workshop.

8.4 The Task & Finish Group recognised the importance of good communication and co-operation between local councils and their area Highways officers (inspectors/technicians). When this relationship is working well, additional value can be achieved without the needed for additional funding.

8.5 Through the workshop it was demonstrated that there was a mixed understanding of health and safety issues linked to the delivery of EMG funded activity along with concerns about liability. A consistent appreciation and understanding of these issues will be addressed through improved guidance in the application process and through training.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

- Communities Scrutiny Committee EMG Task & Finish Group Terms of Reference
- Information about other local authority grant programmes
- EMG application paperwork
- Summary of EMG applications 2017/18

- Summary of EMG funded activity delivered in 2017/18
- Collated feedback from EMG questionnaires
- Summary of EMG questionnaire feedback
- Feedback from EMG applicant interviews
- Highways financial background and context
- Highways/EMG financial comparison
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Cabinet Member:
Cllr Steve Davenport– Portfolio Holder for Highways
Cllr Joyce Barrow – Portfolio Holder for Communities

Local Members:
All Members

Appendices:
Appendix 1 – Report to the EMG Task & Finish Group, 16th November 2017
Appendix 2 – Presentation to the EMG Task & Finish Group, 16th November 2017
Appendix 3 – Notes from the EMG Task & Finish Group, 16th November 2017
Appendix 4 – Report from the EMG Task & Finish Group to the Communities Overview Committee (excluding appendices), 27th November 2017
Appendix 5 – ESIIA, Environmental Maintenance Grant Programme: proposals for consultation on changes to the design and delivery of the programme