Meeting:	Executive
Meeting date:	18/04/2024
Report of:	**Pauline Stuchfield** Director of Customer and Communities
Portfolio of:	**Cllr Lomas** - Finance, Performance, Major Projects and Equalities **Cllr Pavlovic** - Housing, Planning and Safer Communities

Ward Funding Allocation 2024/2025

Subject of Report

1. The 2024/25 individual Ward budget allocation is comprised of £250,000 to be allocated across the city, and this report outlines existing and potential models to inform making the split to wards. The Executive is asked to approve the method of allocation of ward funding, taking into account the feedback from the Corporate Service, Climate Change and Scrutiny Management Committee held on Monday 18th March 2024.

Benefits and Challenges

2. The ward budgets provide an opportunity for ward members to deliver against locally agreed priorities through the funding of local community projects. These projects also contribute to the Council plan priorities around Equalities and Human Rights, Affordability, Climate Change and Health Inequalities. This enables ward members to engage the community around the delivery of local priorities through building community capacity and asset-based community development. The ward budgets were designed in 2023/24 to focus more deliberately on need utilising the index of multiple deprivation.

Policy Basis for Decision

3.   One City, for All, the Council Plan 2023 – 27 sets out a strong ambition to increase opportunities for everyone living in York to live healthy and fulfilling lives. The ward budgets enable community capacity to be built, reflecting coproduction with residents on the agreement of local priorities and the codesign of local projects, alongside the funding of many local voluntary and community sector organisations, helping to build inclusive, strong and thriving communities. Furthermore, applications to the ward grants must demonstrate how projects will meet the four council plan core commitments of Affordability, Environment, Equalities and Human Rights, and Health Inequalities.

4.   At July 2023 Full Council it was proposed that ward funding is composed of the following elements from 1st August 2023:

   ▪ allocate a minimum Ward Budget for Members to spend on priorities in their neighbourhood action plans that correspond with those of the council's core commitments;

   ▪ introduce a second element based on need;

   ▪ create a single pot of funding for multiple and/or 'city wide' applications (an additional amount of £100,000).

Financial Strategy Implications

5.   The 2024/25 ward budget allocation is comprised of £250,000 to be allocated across the city and the paper outlines the existing and potential models to inform making this split to wards. The funds are a part of the council's base budget, reflecting the priorities set out in the Council Plan.

6.   Ward budget decisions will be taken in the financial year that the budget is allocated, requiring ward member approval and Director decision sign off. Each year a deadline will be published, in line with the year end financial closedown timetable, by which all member approved ward grants and schemes must be submitted for Director consideration and decision. After the published deadline in any given financial year there will be no opportunity to

make decisions on ward funding until the next financial year subject to budget allocation. There will be no carry forward of any uncommitted funds i.e. where there was no published decision by the stated deadline.

Recommendation and Reasons

7.   The Executive is asked to approve the recommendation at paragraph 10 below on the allocation of ward funding taking into account any feedback from the Corporate Service, Climate Change and Scrutiny Management Committee.

8.   The Executive is therefore asked to consider the content of the report, the options presented and consider if they wish to maintain the existing model A or agree another model from the options outlined in the report to Corporate Service, Climate Change and Scrutiny Management Committee, attached as Annex A.

9.   From the models set out in the report to Scrutiny and attached as Annex A, models A, E and F most closely align with the Council plan, the EACH priorities (Equalities and Human Rights, Affordability, Climate and Health) and reflect analysis of Index of Multiple Deprivation or census deprivation data. The approaches take into account the size of the ward and its deprivation level based on premise that deprivation in usually in line with population levels. Providing ward budgets based upon a split of an element base funding per Councillor, and an element of ward deprivation is also in line with the objectives set out at the Full Council in July 2023.

10.   As Model E groups wards together in deprivation categories and model F becomes quickly out of date, whilst also not considering the depth of deprivation, this will reduce the impact on the most deprived wards. Whereas, Model A considers depth of deprivation most systematically, reflecting the size of ward and deprivation level and is the preferred option. **Therefore, subject to funding, Model A is recommended for the next three financial years and reflecting the Council Plan 2023 - 2027.**

Reason: To ensure that ward allocations meet Council Plan priorities and methodologies around allocations are transparent to residents and stakeholders.

Background

11.   In 2023/24 the financial allocation per ward was based upon, firstly a base split per ward by the number of councillors (£105k) and then a secondary split in each ward based on deprivation (£145k). The base amount per councillor ensures a minimum amount for each ward, which is then enhanced by analysis of depth of deprivation. It should be noted, that there is an inherent skewing of the total amounts, reflecting the number of councillors per ward.

12.   In 2023/24, in order to allocate the £145k based on deprivation, the levels of need in all wards were assessed against the national Index of Multiple Deprivation (IMD). IMD scores and ranks each area, using seven different dimensions or domains, each of which is based on a basket of indicators. The data combines information from the domains to produce an overall relative measure of deprivation. IMD is released at an LSOA (Lower Super Output Area) level, and the resulting overall Ward IMD scores are an area level aggregation of this relative measure of deprivation.

7 Domains of Index of Multiple Deprivation	
Income Deprivation	Crime
Employment Deprivation	Barriers to Housing and Services
Education, Skills & Training Deprivation	Living Environment Deprivation
Health Deprivation & Disability	

13.   The 2023/24 allocation was designed with the intention of using deprivation so that those wards with the highest scores (the more deprived wards) would have the greater funding allocations, noting:

- National and local data suggests that wards with a higher population, generally, are the more deprived areas. Therefore, if deprivation is used as the main measure of allocation, there does not have to be a further normalisation of the data by population.

- The latest release of IMD data was in 2019, with another version originally expected in late 2023, which could have been used for allocations in 2023/24 and 2024/25, but this has been delayed nationally and is unlikely to be available to Local Authorities until early 2025.

- In 2023/24 an attempt was made to create a ward funding split based solely upon Council Plan indicators and EACH (Equalities & Human Rights, Affordability, Climate and Health) indicators. However as relatively few of the Council Plan indicators are available at ward level, a model which covers all 4 elements of EACH could not be created.

14. The 2023/24 ward funding process was subject to a call-in at Corporate Services, Climate Change and Scrutiny Management Committee on 2nd November 2023, where the funding split agreed at Executive was confirmed and committee agreement to have sight of further models and details for the Council to make a decision on in future years.

15. Further consultation, to help define the 2024/25 ward funding split took place with Members at the Corporate Services, Climate Change and Scrutiny Management Committee on 18th March 2024. The views expressed by the Scrutiny Committee are outlined below at paragraph 16.

Options Analysis and Evidence Base: 2024/25 Models and Allocation

16. There are several models which could be used to split ward funding that have been suggested by both Business Intelligence and at the Call-in Scrutiny committee and subsequent Scrutiny Committee on 18 March 2024, and all are based on latest available data at time of report writing, whether this be population, households, deprivation or other indicators that are available at a ward level. These models are:

Model	Description	Allocation
Model A	Based on Deprivation This is the same as the 2023/24 Ward budget allocation.	£105k base to be split by Councillor on each ward £145k to be split by each ward based on deprivation
Model B	Dividing the funding by the number of wards.	£250k to be split by each ward based on number of wards
Model C	Dividing the funding by the number of Councillors.	£250k to be split by each ward based on number of Councillors
Model D	Dividing the funding by the number of population.	£250k to be split by each ward based on population.
Model E	Based on the IMD deprivation scoring for each ward. York's methodology reduces the IMD 1-10 deciles for wards into four groups A1-4. The most deprived wards sit within A1 and the least deprived within A4.	£105k of the funding divided equally across every Councillor and £145k will be allocated based on the IMD deciles
Model F	Based on the Household Deprivation figures from the 2021 Census and how many Councillors each ward has.	£105k of the funding divided equally across every Councillor and £145k will be allocated based on the number of most deprived ward households out of all deprived households
Model G	Based on Deprivation and this figure multiplied by ward population, and then figure used as % of total.	£105k base to be split by Councillor on each ward £145k to be split by each ward based on deprivation
Model H	Based on Deprivation and this figure multiplied by ward councillors, and then figure used as % of total.	£105k base to be split by Councillor on each ward £145k to be split by each ward based on deprivation

17. High level pros/cons and whether meets policy objectives set out in EACH / Full Council are within the table below.

Model	Pros	Cons	Meets EACH	Meets Full Council July 2023
Model A	This approach will take into account both the size of the ward and its deprivation level	Based on the premise that wards with a higher population are more deprived	Y	Y
Model B	Simple allocation method	This method would not recognise the size of some of the larger wards or the deprivation levels.	N	N
Model C	Simple allocation method	This method would not recognise the deprivation levels in wards	N	N
Model D	Simple allocation method	This method would not recognise the deprivation levels in wards	N	N
Model E	This approach will take into account both the size of the ward and its deprivation level	Based on the premise that wards with a higher population are more deprived, but also grouping on deprivation likely to leads to a flattening of funding for most deprived wards.	Y	Y

Model F	As a more direct measure of deprivation, the household deprivation indicators can be used to say that one area has double the proportion of households with multiple needs compared to another.	As this model only looks at 2 or more dimensions, does not take into account areas of very high deprivation	Y	Y
Model G	This approach will take into account both the size of the ward and its deprivation level	This approach puts greater weighting on population, and smooths out where wards have same IMD score but different population	Y	N
Model H	This approach will take into account both the size of the ward and its deprivation level	Same as Model G, but more simplistic with only a 1-3 Councillor option	Y	N

Consultation Analysis

18. As agreed, further consultation took place with Members at the Corporate Services, Climate Change and Scrutiny Management Committee on 18th March 2024 and was informed by the paper attached as Annex A, which outlined the various models. The views expressed by the Scrutiny Committee are outlined below:

   - Officers presented that models A, E and F most closely align with the Council Plan, the EACH priorities and reflecting analysis of IMD data. General discussions on splitting funding by both a councillor and deprivation quotient, meant

that in a few wards this created slightly unexpected per head of population figures, but this was because some wards had pockets of deprivation. This debate was a continuation of the scrutiny call-in discussion in October 2023.

- Consideration of community assets being included in the models was raised, to help inform how ward funds might be allocated. Incorporating community assets into an allocation was discussed as challenging (for data/comparable reasons), and views were shared on how knowledge of community assets was more likely to be taken into account when bids for local schemes came forward.

- Administration group members broadly supported the current model A, reflecting it taking into consideration the size of the ward and its deprivation level.

- Opposition group members broadly agreed that Model F recognises deprivation across the city and should be supported.

- Some views were expressed by members that given model F has an analysis of IMD domains linked to household deprivation indicators this can be a strength, however it can also lead to disproportionate levels of deprivation findings, and that because the threshold for "2 dimensions" did not take in to account scale would not take in to account some of the city's most recognised deprived wards.

- A furtheroptions were suggested by councillors outside of scrutiny to multiply the IMD score by the population, or number of Councillors as a proxy, and to use the new figure in the same way in which the IMD score is currently used. These models have now been included as Models G and H.

- An alternative option was suggested to use the £145,000 allocation as a central fund for Members to bid into reflecting deprivation levels in their wards. However, it was recognized that the time required to set up and administer this approach would be prohibitive and the city-wide ward funding scheme also existed.

- The Chair of the Scrutiny Committee acknowledged that whilst model E goes some way to addressing the concerns raised about model A, there was a very small financial

difference in funding outcomes, and could exacerbate some of the concerns raised in Model A.

Organisational Impact and Implications

19.
- **Financial**
  There are no direct financial implications for this report as the £250,000 ward budget will remain the same, however there might be a different allocation across the wards should the Executive choose to agree a different option, to the current option A.

- **Human Resources**
  There are no human resources implications from this report.

- **Legal**
  There are no legal implications from this report.

- **Procurement**
  There are no procurement implications from this report.

- **Health and Wellbeing**
  A greater focus on deprivation within wards and utilising the IMD will enable health inequalities to be addressed more directly with partners and residents. The ward budgets support a variety of social action projects that deliver health and wellbeing outcomes for residents, helping to address health inequalities at a local level. For example, 17 of the 21 wards have identified addressing loneliness and social isolation as a local priority. Reducing the levels of loneliness in the city is also a priority within the Health and Wellbeing Strategy. Public Health Officers have also expressed support for models A and E, reflecting the consideration of health deprivation data, through the IMD. This can be further enhanced through the work of the Population Health Hub and ward profiles.

  As there is significant scope for this resource to be used to improve health and tackle inequalities, Public Health supports the targeting of this resource to areas with the most need. Public health also supports the use of IMD as a measure of deprivation rather than using the Census 2021 data.

- **Environment and Climate action**
  The ward budgets have provided grants to voluntary and community groups that manage green spaces throughout the city, such as Friends of Groups. Grants have also been made to support the energy efficiency of community buildings, supporting the carbon reduction and climate change strategy. Allocation that includes a split based on deprivation aligns with a 'just transition' approach to tackling the climate emergency, which provides support for vulnerable groups.

- **Affordability**
  The 2023/24 ward funding allocation was designed with the intention of using deprivation so that wards with the highest scores (the most deprived wards) would have the greatest funding allocations. Addressing the impact of the cost of living and poverty in communities has become a priority for many of the wards, which has seen projects funded to address poverty and destitution at a neighbourhood level. Many of the wards have funded additional advice sessions provided by Citizens Advice York for example, providing bespoke sessions in local community settings. Grants have also been provided to community food projects, helping to address food poverty and complementing the development of community hubs across the city as part of the Good Place Network.

- **Equalities and Human Rights**
  a) The Council recognises, and needs to take into account its Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the exercise of a public authority's functions).

  b) Consideration of deprivation data through the analysis of the IMD will provide information to help inform how equalities and human rights issues are considered by Members and residents through the neighbourhood action planning process and

responded to through the codesign of social action projects. This will enable equalities, human rights and inclusion issues to be responded to more directly, enabling more equitable and inclusive communities, where the conditions are created for all residents to achieve positive outcomes.

- **Data Protection and Privacy**

  Data protection impact assessments (DPIAs) are an essential part of our accountability obligations and is a legal requirement for any type of processing under UK GDPR. Failure to carry out a DPIA when required may leave the council open to enforcement action, including monetary penalties or fines. DPIAs helps us to assess and demonstrate how we comply with all our data protection obligations. It does not have to eradicate all risks but should help to minimise and determine whether the level of risk is acceptable in the circumstances, considering the benefits of what the council wants to achieve. As there is no personal data, special categories of personal data or criminal offence data being processed to inform the decision in this report, there is no requirement to complete a DPIA. This is evidenced by completion of DPIA screening questions AD-04609.

- **Communications**
  There are no communications implications from this report.

- **Economy**
  Many of the wards fund community led economic development projects supporting the delivery of employment, training and learning initiatives and supporting the development of social and community enterprises.

Risks and Mitigations

20.   Whilst there are no direct risks outlined in this report, it is worth noting that allocations could go up or down for wards as a result of any change in mechanism should the Executive implement any change in approach.

Wards Impacted

21.   All wards

Contact details

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Background papers

Corporate Services, Climate Change and Scrutiny Management Committee
18th March 2024
https://democracy.york.gov.uk/documents/s174393/Ward%20Funding%20CSMC%2018%20March.pdf

Corporate Services, Climate Change and Scrutiny Management Committee (Calling In) 2 October 2023
https://democracy.york.gov.uk/ieListDocuments.aspx?CId=602&MId=14431&Ver=4

Full Council 20th July 2023

https://democracy.york.gov.uk/documents/s168967/Report%20of%20Executive%20Member.pdf
https://democracy.york.gov.uk/documents/s168969/Annex%20-%20Ward%20Budgets%202023-27.pdf

Annexes

Annex A - Ward Funding Allocation Models - March 2024

Abbreviations
EACH = Equalities and Human Rights, Affordability, Climate, Health
IMD = Index of Multiple Deprivation
LSOA = Lower Super Output Area