



Invest to Save – Inclusive Communities Budget (ISB)

Round 9: Frequently Asked Questions (FAQs)

ISB general

Q. How many projects are Treasury looking to invest in? What kind of sums are they intending to invest in each project? What size of project is likely to be acceptable?

A. The number of projects the ISB invests in depends on how many bids are received, how many meet the stated criteria and, of these, how many can be funded from the £13.5 million of resource that remains. There is no lower limit on the size of projects but applicants will need to consider the viability and impact of very small projects. In order for the remaining resources to benefit as many communities as possible, bids are restricted to a total of £800,000 over three years.

Q. What is the division in the money between capital and revenue?

A. In the round overall at least 80 per cent of the funding must be for revenue (current) expenditure and no more than 20 per cent for capital expenditure, although bidders are not required to bid for capital if they do not require it.

Q. I understand £13.5 million is available to be drawn down in 2007/08, and that this funding will also be available for projects continuing into 2008/09 and 2009/10 where appropriate. Is there any profiling of funding available between those 3 years?

A. Theoretically the money is all available in 2007/08 to then be used as each individual project demands. Treasury have guaranteed 'end year flexibility' so there should be no problem in running money from one year to the next. Projects are expected to provide an expected profile for spend over the lifetime of the project (up to three years).

Q. Is it true that applicants are expected to provide at least 25 per cent of the cost of each project from within their own resources?

A. Yes. This is designed to ensure appropriate 'buy in' to the project from the partnership organisations involved. The 25 per cent must equate to funding invested and cannot include 'in kind' contributions such as staff time

and office space. There are no restrictions around how the 25 per cent is made up between the partnership organisations (i.e. the total amount does not need to be split evenly between the organizations involved in delivering the project).

Q. Are local authorities limited to one bid, whether as lead partner or as a member of a partnership?

A. Yes. Local authorities are limited to one bid in this particular round, in partnership with at least one third sector organisation (which is expected to be at the forefront of delivering the project). This is for reasons of manageability and to enable the remaining resources to benefit as many communities as possible. The project will need to be endorsed by the Local Strategic Partnership (where LSPs are presented with more than one bid they will need to prioritise and agree which bid to support) and must be in line with the Local Area Agreement and Community Strategy.

Q. What is meant by ‘additionality’?

A. In this context ‘additionality’ means activity that would otherwise not happen without ISB funding. HM Treasury will not fund proposals where they think ISB funding is substituting for an existing funding stream.

Q. When will an announcement be made on successful bids?

A. The official announcement of winners will be made during Budget 2007.

Q. What will be the monitoring arrangements for successful proposals?

A. Whilst it is still essential to account for the money it invests, and ensure that projects are on track to deliver their objectives, the ISB recognises the burden that onerous monitoring processes can have on third sector organisations and aims to keep bureaucratic burdens to a minimum. Successful organisations will be required to produce a project implementation plan before the project commences, followed by 6 monthly progress reports over the lifetime of the project and an independent evaluation at the end.

Specific issues on Round 9

Q. The guidance states projects must be ‘aligned’ with Local Area Agreements (LAAs) and Community Strategies – what does this mean?

A. Alignment with the LAA means that the bid outcomes and targets should complement and not work against the outcomes and targets in the LAA. Details of the ISB funding should be shown as aligned funding in the LAA. The aim of Round 9 is to develop partnerships between local

authorities and the third sector in the delivery of public services which meet the needs of the local community. It is therefore essential that the ISB is complementary to LAAs and Community Strategies which reflect the needs of local communities. The outcomes of successful ISB projects are expected to contribute to the delivery of LAAs and Community Strategies.

Q. What if there is not yet an LAA in place in a particular area?

A. Where there is not yet an LAA in place, projects must be aligned with the outcomes in the emerging LAA where it is available, or support the Community Strategy where it is not.

Q. Will ISB funding flow through LAAs?

A. No. The ISB is designed to fund new and innovative approaches to service delivery and, as is expected where new innovations are being tested, projects can run the risk of slippage. To assist organisations in managing the risks involved, funding needs to be flexible and may need to be rolled over should slippages occur. The funding framework for LAAs does not allow for the rollover of funding and therefore ISB funding will not be pooled with the funding allocated to deliver the LAA.

Q. Why do local authorities have to be involved in this round, instead of it being 'open' as in previous years?

A. There is less resource to allocate in this round than in previous ISB rounds, making it essential that the remaining resources are targeted to meet the needs and priorities of local communities. This is why ISB projects need to be aligned to LAAs and Community Strategies in this particular round. The ISB is also about developing partnerships and, by providing 'seed corn' funding for new and innovative service delivery mechanisms, Round 9 aims to develop new ways of working between local authorities and the third sector that benefit local people.

Q. Is there any more money left in the ISB after Round 9?

A. There is £13.5 million remaining in the ISB of the £90 million allocated to it during the 2004 Spending Review. Depending on the quality of bids received, we are expecting the remaining resources to be allocated during Round 9. A decision on the future of the ISB will be made as part of the Comprehensive Spending Review which will conclude in Summer 2007.

Q. Can both District Councils and County Councils submit bids?

A. Yes, in a two-tier authority, both district and county councils are permitted to submit individual bids.

Q. What is the expected role of Local Strategic Partnerships (LSPs) in the bidding process?

A. LSPs are expected to endorse the project within their authority area before submitting the bid formally to HM Treasury. This is to ensure that the objectives and expected outcomes of the project are in line with local needs and priorities. Where more than one bid is made in a particular authority area, LSPs are expected to prioritise and endorse one bid which they believe will deliver the biggest impact within their community.