

OFFICER REPORT TO LOCAL COMMITTEE (SPELTHORNE)

MEMBERS' FUNDS

9th September 2009

KEY ISSUE

To agree the criteria and guidance for the use of Members' Funds in 2009/10 and to make decisions on funding proposals.

SUMMARY

The report considers a potential change to the criteria for the use of Members' funds.

OFFICER RECOMMENDATIONS

The Local Committee (Spelthorne) is asked:

- 1 To agree that the criteria retain the wording that "The funds will not be used to cover revenue costs – expenditure must be of a one-off nature or serve as "pump priming" and the Repeat Funding paragraph number 2 in the Guidance Note to the criteria also be retained.**

1.0 INTRODUCTION AND BACKGROUND

1.1 At the last meeting the Local Committee agreed that the criteria and guidance for Members' funds should remain the same apart from (i) the capital allocation in future being divided equally between Members, and this

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change has been reflected in Appendix A attached and (ii) a further report being submitted to this meeting which reviewed criterion (c) in Paragraph 1 of Appendix A Criteria and paragraph 2 Repeat Revenue Funding in the Guidance Note Appendix B.

- 1.2 The criteria for the use of Members' funds as set out in Appendix A paragraph 1 includes the criterion "(c) The funds will not be used to cover revenue costs – expenditure must be of a one-off nature or serve as "pump priming". The Guidance in Appendix B Paragraph 2 states "Repeat Revenue Funding – There is a general presumption against requests for repeat funding for the same project, as over time this would reduce the scope to fulfil the original aim of allocations which was to enable Members to respond to local issues. However, the Local Committee reserves the right to vary this rule where it is felt that the project is making an exceptional contribution to the community and more time may be required to secure alternative funding"
- 1.3 At the last meeting of the Local Committee a Member asked if it would be possible to remove the reference to repeat funding from the criteria. Research has ascertained that the criteria for the use of Members funds has been the same since the inception of the Local Committee in April 2002. The Guidance Note was written in 2006. The practice has been not to encourage bids of an ongoing revenue nature to avoid organisations and services becoming dependent upon the Local Committee for funding. The Guidance Note provides for exceptions to be made and one example has been the Committee's decision previously to provide some additional funding to sustain the successful Staines Youth Café which subsequently went on to obtain funding from the Safer Stronger Spelthorne Partnership.
- 1.4 The Financial Framework for Local Committee is silent on the criteria for the use of Members funds but it does refer to Local Committees being able to give grants, purchase equipment, enhance current services or promote new initiatives in the pursuance of local well-being. If Members wished to consider bids for ongoing funding this would reduce the opportunities for supporting new initiatives. Over time it would also reduce the number of organisations which the Members may be able to support in the future.
- 1.5 The Guidance does permit Members to vary the rule which presumes against repeat funding and if organisations can make a case that they are making an exceptional contribution to the community and need more time to secure alternative funding the Committee are able to consider such bids.

2 FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

None.

3 CONCLUSION AND REASONS FOR RECOMMENDATIONS

It appears to be possible for the Local Committee to amend the criteria for the use of Members funds. However, the recommendation proposes the status quo to enable Members funds to be used to support new projects and a wide range of organisations within Spelthorne and to avoid organisations becoming dependent upon the Local Committee as an ongoing source of funding.

Report by: Elaine Bennett, Local Committee and Partnership Officer - Spelthorne

LEAD/CONTACT OFFICER Elaine Bennett
TELEPHONE NUMBER: 01932 795119

APPENDIX A

CRITERIA FOR USE OF FUNDS**1. MEMBER'S ALLOCATIONS**

- a) Support for any one project will not normally exceed £10,000.
- b) Any proposal to be considered by Committee must be proposed by at least one Member who is willing to provide at least some financial support to the project. However, Members whose funds are totally committed may still put proposals forward for support by the Committee.
- c) The funds will not be used to cover revenue costs – expenditure must be of a one-off nature or serve as “pump-priming”.
- d) Contributions will not normally be made to cover funding gaps arising from budget reduction decisions.
- e) Priority will be given to proposals attracting an element of match funding.
- f) Proposals will be considered from SCC services, other statutory bodies and voluntary organisations.

2. FUNDING PAID UNDER DELEGATED AUTHORITY

The decision to pay funding of not more than £1000 can be delegated to the Area Director, in consultation with the Chairman of the Local Committee. Funding paid under delegated authority is subject to the criteria laid down in paragraph 1 above, **and** the following additional criteria:

- a) the application must have been endorsed by the appropriate local Member
- b) the application should be for a maximum of £1000
- c) applications from private clubs or other membership organisations must clearly demonstrate the wider community benefit of the project
- d) projects must not contravene any of the Council's agreed policies or priorities
- e) the application should be for a future project, not a retrospective request.
- f) the application should not be to cover ongoing revenue costs.

3. COMMITTEE CAPITAL ALLOCATION

The balance of the £35,000 initially allocated to support capital projects through voluntary organisations will be used for any suitable project promoting well being in Spelthorne and agreed by the Committee. These funds are divided equally between Members i.e. £7,000 although decisions to spend these monies are made by the Local Committee.

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The following is a definition for “capital” in these circumstances:

Capital expenditure is defined as the acquisition, construction, enhancement or replacement of an asset. An asset can be land & buildings, vehicles, plant, furniture & equipment or infrastructure. In order for an asset to be capitalised it should yield benefits for a period of more than one year.

It is proposed that the following criteria should apply to this fund:

- a) Any proposal to be considered by Committee must be put forward by at least one Member.
- b) Priority will be given to proposals attracting an element of match funding.
- c) Proposals must be of a local nature and be for the benefit of the people of Spelthorne.

GUIDANCE NOTE**SCC LOCAL COMMITTEE SPELTHORNE - MEMBERS' ALLOCATIONS**

This guidance note is designed to assist in the consideration of applications for requests for funding from Members' Allocations, and should be used in conjunction with the formal criteria laid down for funding.

1. FUNDING CEILINGS

- i) There is a general presumption against requests for 100% funding of projects and the Local Committee would wish to see evidence of fund raising and/or other partner contributions. However the Local Committee reserves the right to fund 100% of projects, taking into account the overall resources of the organisation, the sum requested and any previous fundraising by the organisation.
- ii) Individual bids should generally be for no more than £10,000.

2. REPEAT REVENUE FUNDING

There is a general presumption against requests for repeat funding for the same project, as over time this would reduce the scope to fulfil the original aim of allocations which was to enable Members to respond to local issues. However, the Local Committee reserves the right to vary this rule where it is felt that the project is making an exceptional contribution to the community and more time may be required to secure alternative funding.

3. RETROSPECTIVE FUNDING

- i) As a general rule, it is not considered good practice to fund projects retrospectively and funding will not be considered for projects where the group has already committed, or decided to commit, funds.
- ii) Applications that are retrospective due to the timing of the Local Committee meetings may be considered provided that the proposed allocation has been brought to the attention of the Area Director before the event/purchase/expenditure takes place. However the group should be advised by the proposing Member that the Local Committee decision is not a 'rubber stamping' exercise and that any expenditure they commit in the hope of receiving funding is entirely at their own risk.
- iii) Applications for retrospective projects cannot be funded under the delegated authority powers.

4. PRIVATE CLUBS OR MEMBERSHIP ORGANISATIONS

Such organisations need to demonstrate clearly the wider community benefit that their project would bring.

5. FUNDING FOR INDIVIDUALS

Funding bids which would benefit an individual or an individual's property will not be considered.

6. HIGHWAYS PROJECTS

- i) Members' allocations should rarely be used to 'top up' the Highways budget agreed by the County Council, especially where the additional £100,000 capital allocation has been allocated by the Local Committee for Highways purposes. However, it is recognised that small street scene improvements, i.e. additional tree cutting or planting, can be a positive and welcome use of Members' Allocations.

- ii) Any such proposals should initially be shared with the West Area Group Manager/Local Transportation Manager for a view on appropriateness of the proposed expenditure bearing in mind any priority lists and the capacity for additional work to be carried out without damaging the implementation of the agreed work programme for the service.