

## **Financial Framework for Members' Allocations and Local Committees**

### **Framework Principles**

1. As with all expenditure by the Council, spending of members' allocations and budgets delegated to local committees should:
  - Be directed to activities for which the County Council has legal powers;
  - Meet demonstrable local needs;
  - Deliver value for money, so that there is evidence of the outcomes achieved;
  - Be consistent with County Council policies;
  - Be approved through a process that is open and transparent, consultative, accountable, and auditable;
  - Where appropriate, allow opportunities to be taken to pool funds with partner organisations.

### **Members' Allocations and Local Committee Capital Allocations**

2. These are spent to respond to local needs either in accordance with the County Council's general power of competence (as set out within the Localism Act 2011) or another relevant statutory power. They must also be spent in accordance with this Financial Framework which details the financial management arrangements to ensure proper stewardship and accountability and other policies of the County Council. As regards members' allocations a maximum sum is identified in the budget per County Councillor to be spent each year on needs arising in the Member's electoral division or pooled with other allocations to meet local needs in a number of divisions within the relevant Borough/District area.
3. With regards to budget setting and planning, the County Council will agree each year the actual amount of funding available to each Member and Local Committee, subject to the provision made within the Medium Term Financial Plan.
4. Approval of both Members' allocations and Local Committee capital allocations are delegated to officers within the Community Partnership Team to make decisions on expenditure in consultation with Members.
5. Members' allocations and Local Committee capital allocations are allocated following an agreed application process.

### Exclusions

6. The following exclusions apply:
  - Funding of Political organisations is not permitted
  - Members' Allocations expenditure is intended to be of a one-off nature or serve as 'pump-priming'. Funding to cover ongoing revenue costs, including salaries is not permitted

- Funding is not to be used by any other local authority to meet its statutory obligations
  - Projects must not contravene any of the Council's agreed policies or priorities. Funding may not be used to support projects which involve taking sides on a planning dispute or relate to matters in which the County Council is a statutory consultee.
7. Where there is any doubt over the appropriateness of intended expenditure, a local member must seek advice from the Community Partnership Team.

### Restrictions

8. The following restrictions apply:
- Funding to individuals, private companies, other local authorities, private clubs or other membership organisations will be considered only in those cases where the wider community benefit/s of the project are clearly demonstrated.
  - Funding may only be used to supplement existing funding available from the County Council towards a project, if the additional community benefits derived from Members' Allocations are clearly demonstrated.
  - Retrospective funding applications are discouraged and will only be considered in cases where the proposed project has been brought to the attention of the Community Partnerships Manager or the Community Partnership Team Leader before the event/ purchase/ expenditure takes place.
  - Caution will be exercised in relation to supporting organisations from Members' Allocations where they are already under contract to the County Council following a tendering process; or receiving a grant from the County Council. In order to avoid hidden subsidies or double funding applicants must state any contractual obligations to the County Council within the application for Members' Allocations.
  - Funding must not be used for costs wholly or mainly incurred for the delivery of the national curriculum as this is already resourced on a formula basis by the County Council.
  - Funding can only be used solely for the purposes specified in the application form.

### Guidelines for funding applications

9. The following guidelines apply for both applicants and in assessing applications received:
- Applications need to have regard to the principles of Equality & Diversity (as set out within the Equality Act 2010).
  - Applicants shall have regard to economy, efficiency and effectiveness in all expenditure.
  - Applicants will be required to acknowledge the receipt of funds from SCC when publicising the event/project.
  - When applying for funding, applicants will be required to state whether they are in receipt of any other funds from SCC, or have any other outstanding applications submitted to SCC.

- Applicants will also be asked to state whether they have previously applied to SCC for funding and for what purpose.
- Any application must not bring the reputation of SCC into disrepute.

#### Guidelines for Members' Allocations

10. The application must have been endorsed by the appropriate local Member(s) unless it is not possible to obtain these views. (Where it is not possible to obtain an individual member's views, e.g. because of long term illness or incapacity, the relevant Local Committee Chairman's view will be sought prior to the Member's allocation being spent).
  - Proposals must be primarily for the benefit of residents in the Member's division from which funding is sought. Members may contribute to proposals based in other Divisions within the Borough/District area provided there is a benefit to their own residents.
  - Members' allocations are a revenue budget but can also be used to fund capital projects.

#### Guidelines for Local Committee Capital Allocations

11. All County members on the relevant local committee are to be consulted on applications for funding. Where required the views of the Council Leader may be sought in relation to proposed expenditure.

#### Capital Expenditure

12. Capital funding can only be used for capital projects, and may not be used to support revenue expenditure, such as staffing. Capital projects are those that create or extend the useful life of an asset and are consistent with the County Council's accounting policies in line with the requirements of the statutory accounting framework.
13. The budget allocation for capital grants must meet the following criteria:
  - (a) it must be applied to physical assets with a life of more than one year; such assets include land, buildings, property refurbishments, vehicles, plant, major items of equipment etc; and
  - (b) this funding must not be applied to meet staffing costs or other routine running costs.
14. The applicant shall not sell or otherwise dispose of any assets purchased wholly or partly using SCC grant funding, nor allow a third party to take a change of such assets without the written consent of SCC.

#### **Devolved Funding to Local Committees**

15. Where a local committee receives devolved capital or revenue budgets the committee may not vire this funding to other borough/district areas or delegated responsibilities without the consent of the Section 151 Officer.

16. Devolved budgets are agreed annually in consultation with Members and approved by the Cabinet.
17. Devolved budgets may be supplemented by Members' allocations or Local Committee Capital funds.
18. In relation to devolved highway budgets the local committees must take account of Surrey Transport Plan objectives and maintenance priorities for their area. It is for the Local Committee to determine the split between improvement or maintenance works as they determine appropriate, subject to the restrictions for capital funding as detailed above from paragraph 12.
19. Devolved Highways revenue budgets can be used to supplement Highways capital works, in consultation with Corporate Finance.

### **Budget Monitoring and Management**

20. Where members' or Local Committee capital allocations are used to commission a Surrey County Council service, expenditure will be incurred by the service. There will be a transfer from the allocations budgets to fund this expenditure.
21. Where member allocations or Local Committee capital allocations, are used to commission an external organisation to carry out works for the Council, the normal financial regulations and procurement standing orders for the County Council will apply. Where commissioning voluntary sector services, the requirements of the Surrey Compact and associated codes of practice should be met. The Community Partnerships Team will record and administer payments.
22. Transparency of allocation budget decisions will be maintained as funding decisions and will be reported to the next relevant local committee meeting. Decisions will also be posted online on the Surrey website.
23. Proposals to carry underspendings forward will be subject to Cabinet approval as part of the County Council budget monitoring and outturn reporting processes.
24. To ensure effective use of public funds, applicants will need to keep records that show the cost of the project and the use to which the funding has been put. This can be requested by SCC at any time. Evidence of expenditure and achievement of the objectives must be submitted to SCC within 12 months of receiving the funding. Failure to supply the evidence against use of funding as requested may result in SCC requiring the return of funding awarded.