



## OFFICER REPORT TO COUNCIL

### MEMBERS' COMMUNITY ALLOCATION

#### **KEY ISSUE/DECISION:**

In January 2018, the Leader proposed that a new Members' Community Allocation (MCA) grant should be created in 2018-19 to replace the existing Members' Allocation grant scheme.

This report seeks the approval of a new Financial Framework for MCA, the supporting changes to the Council's Scheme of Delegation, and the transitional arrangements required for the introduction of MCA.

#### **RECOMMENDATIONS:**

It is recommended that the Council:

1. Approves the new Financial Framework for Members' Community Allocation as detailed at Annex 1.
2. Approves the proposed amendments to the Council's Scheme of Delegation as detailed at Annex 2.
3. Approves the transitional arrangements allowing Members' Allocation applications received prior to 22 May 2018, that have not yet been approved, to be assessed under the new Financial Framework for Members' Community Allocation criteria detailed at Annex 1 following this date.

#### **BACKGROUND:**

1. As elected representatives, Councillors must maintain a relentless focus on the county's residents. This involves listening and taking effective action to address local concerns and issues and, through this, becoming game-changers in their local communities. Members' Community Allocation (MCA) funding will provide a means through which Councillors can stimulate change and take action to support local residents in Surrey's neighbourhoods, towns and villages.
2. This report seeks the approval of the Financial Framework for MCA attached at Annex 1 of this report. The Framework details the MCA's purpose, funding criteria and exclusions, and the applicant, officer and Councillor roles and responsibilities in the governance, operation and implementation of the new grant scheme.

3. The Financial Framework for MCA builds on the successes of the existing Members' Allocation scheme in supporting the Council's corporate priorities and contributing to the social, economic and environmental well-being of Surrey's diverse local communities. Following consultation and feedback from local Councillors, MCA also introduces some notable differences to the existing Members' Allocation criteria that are designed to give Councillors greater flexibility in supporting local communities.

#### **MCA Criteria - Main Differences**

4. Under the MCA criteria, Councillors will be able to support countywide community projects that benefit their residents. Councillors will also be able to fund projects that occur in the following financial year, subject to Cabinet agreeing the carry forward of unspent funds at the end of the year, where necessary. Evidence of expenditure will be sought from successful applicants six months after the grant is paid, or once the project has been implemented. Following the creation of a new dedicated Member Local Highways Fund, MCA must not be used to fund highway or countryside schemes, purchases or initiatives.
5. The approval of Members' Allocation funding is currently delegated to officers in the Community Partnership Team in consultation with local councillors. This ensures that all applications are assessed against the agreed guidelines and that decisions are legally compliant.

#### **Scheme of Delegation Amendments**

6. It is proposed that MCA follows a similar officer approval process to the existing Members' Allocation grant scheme. The proposed amendments to Part 3/Section 3/Part 3 of the Council's Scheme of Delegation detailed in Annex 2 of this report, will allow officers to approve MCA funding in consultation with local Councillors. Officer delegations for the Member Local Highways Fund are also included at Annex 2.

#### **Transitional Arrangements**

7. MCA will replace the existing Members' Allocation grant scheme. However, there will be a short transitional period between 3 April when the existing grant scheme opens for applications and 22 May 2018 when the required constitutional MCA amendments can be approved at the meeting of the Full Council.
8. The Community Partnership Team seeks approval to make the transition between the existing Members' Allocation grant scheme and the MCA as seamless as possible for applicants and Councillors. The Team proposes to introduce transitional arrangements to allow any Members' Allocation applications received prior to 22 May 2018 that have not been processed or approved, to be assessed under the new Financial Framework for MCA criteria upon its introduction.

---

#### **Lead/Contact Officers:**

Sandra Brown, Engagement Manager, Community Partnership and Community Safety Team.

**Sources/background papers:**

- The Council's Constitution
-

## Financial Framework for Members' Community Allocation

### 1. Purpose

The Members' Community Allocation (MCA) is a grant funding scheme that is designed to promote well-being across Surrey's diverse local communities. Voluntary, charitable, resident and community groups, and other organisations can apply for funding to undertake activities that benefit local residents. MCA promotes activities that foster community spirit, increase resilience and generate pride in Surrey's neighbourhoods, towns and villages. Part-funded or match-funded projects undertaken in partnership with local community organisations such as parish and town councils, resident associations, borough and district councils are encouraged.

Activities funded through the Members' Community Allocation (MCA) must help to achieve one or more of the County Council's three strategic priorities:

- Wellbeing - Everyone in Surrey has a great start to life and can live and age well
- Economic Prosperity – Surrey's economy remains strong and sustainable
- Resident Experience – Residents in Surrey experience public services that are easy to use, responsive and value for money.

### 2. Finance

Members' Community Allocation (MCA) funding is decided by the council on an annual basis. Funding is subject to availability and is dependent on the council's overall budget and financial position, as detailed in its Medium Term Financial Plan. MCA funding is allocated on a divisional basis and a maximum amount that can be spent each financial year is set by the council. MCA is a flexible funding stream that can be used for either revenue or capital purchases, initiatives or projects.

### 3. Funding Criteria

#### 3a. Essential

- **Community benefit:** Funding must contribute to social, economic and/or environmental well-being in local communities.
- **Divisional benefit:** MCA-funded purchases, initiatives or projects must benefit residents of the division to which the grant is allocated. Funding can be pooled for collective activities that benefit residents in two or more divisions within Surrey, or for countywide community projects and initiatives that residents in a local division may access or benefit from.
- **Councillor endorsement:** Applications must be endorsed by the divisional councillor(s) unless it is not possible to obtain their endorsement e.g. due to long term illness or incapacity. In such cases the relevant local or joint committee chairman or vice-chairman's view will be obtained prior to MCA expenditure being approved.
- **Organisations:** MCA can only be paid to UK organisations holding valid bank accounts. Voluntary and charitable organisations, membership bodies and charitable clubs (e.g. sports clubs), councils and other statutory bodies may receive funding provided that community benefit is clearly demonstrated.

- **Policies:** MCA-funded purchases, initiatives and projects must uphold the council's policies, priorities, and legal advice.

### 3b. Exclusions

MCA cannot be used to fund organisations, projects, initiatives or purchases that meet any of the following criteria:

- **Political organisations:** Parties or organisations registered with the Electoral Commission [www.electoralcommission.org.uk](http://www.electoralcommission.org.uk) or any politically-related activities e.g. campaigns and meetings.
- **Highways and countryside:** The Member Local Highways Fund is able to fund purchases, initiatives and schemes relating to the highway and the countryside.
- **Statutory services or functions:** Local authority or other organisations' statutory obligations or duties.
- **Ongoing running costs:** Funding is provided for one year and cannot be relied upon or assumed for future years. Salaries, rents, utilities and other ongoing 'business as usual' running costs cannot be funded. However, one-off, seed-corn, time-limited or sessional funding may be considered.
- **National Curriculum:** Funding for subjects or learning activities that are contained in the National Curriculum, or fall within the annual School and Early Years Finance Regulations issued under the School Standards and Framework Act 1998.
- **Planning disputes:** Taking sides in a planning dispute, or support for contentious planning-related activities.
- **Statutory consultee:** Funding matters in which Surrey County Council (SCC) is a statutory consultee.
- **Reputation:** Activities adversely affecting the reputation of SCC that may lead to disrepute.
- **Campaigns** Supporting individuals or organisations directly campaigning against SCC or any of its local statutory partners.
- **Retrospective funding** Applications received after expenditure has been made. However, in the case of longer-term projects such as building work, applications must be received before the project's ultimate completion date.
- **Award ceremonies** Funding award ceremonies is prohibited. However, other local celebratory events can be considered.

## 4. Applicants

Applicants must meet the following criteria to qualify for MCA funding.

- **Organisations:** Must be an organisation with a valid UK bank account. MCA cannot be paid to individuals or into personal bank accounts.
- **Online application:** Submit an online, electronic application.
- **Value for money:** Demonstrate value for money in the use of public funds and always include a breakdown of costs. Quotes and estimates may additionally be requested.
- **Quotation:** Applications for more than £4999 must supply at least two competitive, independent quotes, unless forming part of a framework agreement.
- **VAT:** Value Added Tax must be excluded from the grant amounts requested whenever it is a recoverable cost e.g. work carried out or purchased by SCC and/or other public bodies.

- **SCC funding:** Applicants must declare:
  - Receipt of other funds from SCC and/or any outstanding or pending financial arrangements or applications.
  - Previous applications to SCC for MCA funding and their intended purpose.
  - Existing contractual obligations to SCC e.g. following a tendering process or a receipt of grant.
  - Additional community benefit when MCA supplements other SCC funding streams, and avoid the duplication of funding.
- **Publicity:** Acknowledge the provision of funds from SCC when referencing or publicising the event, purchase or project, and give consent to SCC to publicise the grant award.
- **Variation:** Use funding solely for the purposes specified in the application form. Minor variations (e.g. changes to specific costings or timescales) must be agreed and approved by the Community Partnerships Team, in consultation with the local councillor(s).
- **Evidence:** Proof of expenditure (e.g. photographs, invoices, and press releases) must be supplied when requested by the Community Partnership Team. Failure to supply this information can result in a requirement to return MCA funds to SCC. Evidence of previous MCA funded purchases, projects or initiatives should be supplied to the Community Partnership Team prior to a new application for MCA being considered.

## 5. Role of Councillors

Councillors have the following responsibilities in relation to MCA funding.

- **Interests:** Full compliance with the Member Code of Conduct, avoiding sponsorship of projects in which they have pecuniary or prejudicial interests. Pecuniary interests may be approved following dispensation from the Audit & Governance Committee (Standing order 62). Definitions of pecuniary and prejudicial interests are set out in the Member Code of Conduct in the Council's Constitution Part 6 (1).
- **Confirm support:** Inform the Community Partnership Team of their support for an application, and the grant amount that is sought.
- **Consultation:** Refrain from confirming MCA funding to applicants until the application process has been completed and all necessary checks and approvals have been confirmed by the Community Partnership Team. Approval of MCA applications is delegated to officers in the Community Partnership Team, in consultation with councillors (see Part 3/Section 3/Part 3 of the Council's Scheme of Delegation).
- **Pooled funding:** Agree to act as lead member where there is an agreement to pool funds across more than one division, and secure confirmation from the other contributing councillors.
- **Protecting public funds:** Assist the Community Partnership Team in safeguarding public funds by providing local intelligence and evidence that MCA funding has been used for the identified purpose, and that projects have been delivered for local communities.
- **Advice:** Obtain advice or clarity from officers in the Community Partnership Team on any aspect of MCA.

## 6. Role of the Community Partnership Team

The Community Partnership Team has the following responsibilities in relation to MCA funding.

- **Procedures:** Ensure that all applications for funding follow the same agreed procedure, are treated equally and assessed against the rules contained in this Financial Framework for MCA.
- **Approvals:** The approval of MCA applications is delegated to officers in the Community Partnership Team in consultation with councillors, to ensure all applications meet the MCA rules and legal requirements (see Part 3/Section 3/Part 3 of the Council's Scheme of Delegation).
- **Advice:** Offer advice to applicants, councillors and other interested parties on the MCA and the application of the rules contained in this Financial Framework.
- **Processing:** Conduct all relevant checks and liaise with applicants, councillors, internal service(s) and officers and/or other interested parties regarding the validity of projects and the appropriate use of MCA.
- **Consultation:** Liaise with the relevant service(s) where an application has a link to or may affect an existing contract with SCC.
- **Standing orders:** Ensure the County Council's financial regulations and standing orders are applied where funding is used to commission an external organisation to carry out works.
- **Variations:** Check that funding is only used for the purposes specified in the application form, and agree and approve any minor variations (e.g. changes to specific costings or timescales), in consultation with the local member.
- **Carried forward funds:** Ensure that projects requiring funds to be carried over to the next financial year because it has not been possible to pay in-year, are referred to Cabinet for ultimate approval.
- **Returned funding:** Ensure unspent funds are declared surplus at the end of the financial year, unless Cabinet approve a carry forward request (e.g. for work in progress).
- **Reporting:** Publish reports on approved MCA projects and expenditure online and provide regular updates to councillors on committed funds.
- **Publicity:** Arrange for articles on a selection of completed projects to be published on the Local Area web pages on the SCC website and on social media.
- **Surrey Compact:** Observe the requirements of the Surrey Compact where funding is used to commission voluntary sector services.
- **Evidence:** Obtain evidence from organisations six months after payment has been made, or when the project has been completed. This evidence will be retained and made available for audit and financial recording purposes.

Proposed Changes to the Scheme of Delegations

**COMMUNITY PARTNERSHIP TEAM**

	<b>No</b>	<b>Service area</b>	<b>FUNCTIONS DELEGATED</b>	<b>TITLE OF POSTHOLDER</b>
EXISTING delegation	CPT2	Community Partnerships Team	To make decisions on approval of Member Allocations in consultation with individual Members or the relevant local committee Chairman where it is not possible to obtain the individual Member's views.	Lead Manager Community Partnership Team Community Partnership Manager Community Partnership Team Leaders
<b>PROPOSED</b> delegation	CPT2	Community Partnerships Team	To make decisions on approval of Members' Community Allocations in consultation with individual members or the relevant local committee Chairman where it is not possible to obtain the individual Member's views.	Head of Community Partnership and Safety Engagement Manager Funding Lead

**ENVIRONMENT AND INFRASTRUCTURE**

	<b>No</b>	<b>Service area</b>	<b>FUNCTIONS DELEGATED</b>	<b>TITLE OF POSTHOLDER</b>
<b>PROPOSED</b> delegation	EAI115	Highways & Transport	To make decisions on approval of the Members' Local Highway Fund in consultation with individual members or the relevant local committee Chairman where it is not possible to obtain the individual Member's views.	Head of Highways & Transport Local Highway Services Group Manager Area Highways Manager